



## Australian Building Codes Board & the Building Code of Australia

### Policy Background

- The housing industry is required to apply the Building Code of Australia (BCA) to all facets of residential building construction.
- The application of the BCA is open to variation by individual state and territory jurisdictions which reduces national consistency.
- The Australian Building Codes Board (ABCB) engages government and industry professionals to assist in the preparation of the BCA, through the ABCB Board, the Building Codes Committee (BCC) and the State based building regulation advisory forums.

### Policy Issues

- Regulation by its very nature is inflexible and restricts industry innovation and productivity.
- The establishment of a national building code is seen as fundamental to the orderly operation of the residential building industry in Australia.
- The Council of Australian Governments (COAG) highlighted the crippling effect that excessive regulation has on business. As a result Federal, State and Local Governments have committed to improve regulation impact analysis and better measurement of the cumulative burden of compliance costs.
- Recent decisions by the ABCB exceed its original purpose to consolidate and harmonise State regulations into a single national code, to include broader environmental and social goals.
- The 2006 ABCB Intergovernmental Agreement highlights the objective of minimum effective regulation and seeks to introduce increased accountability through:
  - Referencing the BCA in State legislation, making variations more difficult;
  - Limiting variations to needs due to geographic, geological or climatic factors;
  - Requiring a regulation impact statement and Ministerial approval for variations;
  - Annual reporting of variations; and
  - States to seek similar commitments from their local governments.
- State regulators are increasingly electing to step outside the BCA and are formulating new building regulations without undertaking appropriate regulatory impact assessment.
- Local governments are acting outside the minimum standards of the BCA and also introducing ad hoc building regulations through the planning system.
- In the last few years, Volume Two (Housing Provisions) of the BCA has seen the removal of a number of deemed to satisfy solutions in place of new or amended Australian Standards.

- The BCA is incorrectly seen as a vehicle to resolve public policy matters which lie outside its current scope and objectives.
- The ongoing management of the BCA to incorporate new technology and to maintain 'tried and trusted' building techniques has been limited in recent years.
- There has also been little review or maintenance of the remaining deemed to satisfy solutions to incorporate well accepted modern building techniques and many traditional building techniques have been lost at the expense of standards.
- The constant churn of annual amendments to the BCA places a significant red tape burden on the building industry, including the cost to purchase the BCA annually.

### **HIA's Policy Position on the Australian Building Codes Board and the BCA**

- The BCA should be considered the pre-eminent building regulatory document for all construction in Australia.
- The BCA should provide minimum cost effective regulation for the building industry as a first priority, and seek to provide nationally consistent regulation wherever possible.
- Deemed to comply and similar prescribed measures should always be available to the housing industry to reduce the compliance burden on small businesses. Deemed to comply provisions should reflect traditional construction techniques
- The ABCB should support voluntary industry initiatives, which provide a mechanism to analyse and adopt industry best practice where appropriate, to address construction issues, prior to seeking to develop mandatory regulation.
- As gatekeeper, new BCA provisions and amendments to existing BCA provisions should be subject to a detailed regulation impact assessment, in accordance with COAG principles for good regulatory practice.
- The ABCB's role as 'gatekeeper' of the 'national' code, should ensure that state and local government variations are minimised and where necessary, subjected to a regulatory impact assessment.
- The makeup of the ABCB should include domestic residential building expertise at all times.
- The effective management and application of Volume 2 of the BCA is fundamental to the residential building industry and is an essential element in maintaining housing affordability.
- A simple, effective and useable housing code requires ongoing, whole of government commitment, commensurate with the economic benefit that the residential building industry delivers to the Australian economy as a whole.
- All governments need to provide adequate funding to the ABCB to ensure that it meets industry expectations and to allow it to be provided freely (online) to all users.
- A dedicated Housing Codes Committee should be established to focus on the task of ensuring that Volume 2 meets industry needs and expectations and provides a mechanism to:
  - reinstates lost ACPs that have been replaced by Australian Standards over time;
  - monitor the relationship between ACPs and Standards;
  - recognise traditional construction practices and develop ACPs to reflect these; and
  - streamline the process to establish ACPs for new and innovative construction systems that have become 'common' industry practices.

- The BCA should be reviewed as a minimum every two years and preferably at longer intervals.
- Where changes to standards or assessment tools referenced by the BCA are undertaken by other government agencies (Federal or State), these must be subject to appropriate regulation impact assessment prior to their adoption into the BCA.