



Australian Standards

Policy Background

- Standards Australia have developed several thousand Australian Standards, which have been published by SAI Global, with many standards now relied on as black letter regulation and de facto regulation.
- The National Construction Code (NCC) calls up over 1,400 standards through primary, secondary and tertiary references.
- Businesses are obliged to comply with all these standards. The flood of standards places a heavy compliance burden on builders and contractors. With the average cost of individual standards being well over a \$100 each the ongoing costs of purchasing standards is a significant impost on the building industry, particular given that standards are continually updated and new versions becomes the new regulations that must be adhered to. Standards should be readily available to the small businesses which need them.
- State and local government planning and building regulations reference Australian Standards not called up by the NCC in an adhoc manner and without regulatory impact assessment in accordance with COAG principles for good regulation.
- There has been a trend towards using unreferenced standards as de facto regulation. Courts and building tribunals appear to be increasingly relying on failure to comply with standards as a cause of action, despite the standard not being referenced in the NCC.

Policy Issues

- For many years, Australian Standards provided cost effective technical guidance for industry, reflecting industry practice.
- Recently standards have become defacto building regulations, aimed at driving "best practice" outcomes, with little regard for the cost impact on housing affordability.
- With the creation of Standards Australia as a private company, its public good role appears to have been overshadowed by the commercial pressure to recover costs, leading to more and more standards being produced.
- The enthusiasm for "best practice" standards sits uneasily with minimum effective regulation. It is contrary to Standards Australia's obligations under its Memorandum of Understanding (MOU) with the Commonwealth which requires the company to develop minimum effective solutions. It conflicts with the objective of the NCC to set minimum acceptable technical requirements for ensuring the health, safety, amenity and sustainability of new buildings.
- The status of draft standards and standards published out of sequence with the NCC is causing confusion in the industry. HIA is firmly of the view that only standards referenced in the NCC should be legally enforceable. It is unreasonable to expect builders and contractors to be aware of unreferenced or draft standards.
- The ability for the building industry to get advice on the application of referenced Australian Standards is currently lacking which adds to inconsistent interpretations across jurisdictions and local government areas.

HIA's Policy Position on Australian Standards

1. All standards to be referenced in the National Construction Code (NCC) must undergo a comprehensive regulatory impact assessment by the Australian Building Codes Board to prove a demonstrable need for the standard and a positive cost benefit to building owners.
2. New standards should be developed according to the COAG principles for good regulatory practice.
3. The decision to develop a standard should be made at arm's length from Standards Australia, reflecting a strong demonstrable need and industry-wide consensus.
4. Standards Australia must accept greater accountability for standards, ensuring appropriate cost/benefit analysis and public consultation, as part of their development.
5. The separation of the public good and commercial operations of Standards Australia and SAI Global must be effective. Standards Australia should not be driven by commercial returns.
6. Government funding for the development of any "public good" standards should be provided to ensure that all interests are appropriately considered.
7. Australian Standards should be accessible at no cost or at no more than marginal cost, as has been general practice with all other Australian legislation.
8. Compliance with a referenced standard should be a defence in court or tribunal proceedings. Reliance on standards that are not referenced in regulation or not agreed to as part of the building contract should not carry weight in building disputes.
9. The Australian Building Codes Board should provide direction to all state administrations and local government, on the position of unreferenced standards in building regulation.
10. That relevant government agencies for building administration should support an industry managed solution to provide clear guidance on the interpretation and application of Australian Standards called up by the NCC, and to assist in removing inconsistent interpretations.