

5th June 2025

Dear Productivity Commission

National Competition Policy Analysis 2025 – Building and Plumbing Regulatory Framework and consideration of International Standards

Thank you for the opportunity to make a submission.

Rainwater Harvesting Australia made a submission to both the Australian Building Codes Board and Standards Australia in relation to the National Construction Code Volume 3 2025 and the proposal to reference AS/NZS 3500.1 and AS/NZS 3500.3 rainwater harvesting draft content as a deemed to satisfy solution.

Our commentary pertains to the rainwater harvesting content of the Code and Standards. We are concerned that our experience may reflect a wider threat to an efficient and competitive economy from building and plumbing regulations and has relevance to the consideration of using international standards as well as Australian standards.

The proposed changes by the Australian Building Codes Board included expanding regulation from municipal areas to the whole of Australia, extensive design requirements, backflow management requirements and increasing the scope of stormwater management to regulate rainwater harvesting. These changes were largely reflected in Section 15 of AS/NZS 3500.1 and Section 11 of AS/NZS 3500.3. The Australian Building Codes Board provided no Preliminary Impact Analysis for the regulatory proposals.

Rainwater Harvesting Australia sought documentation from the Australian Building Codes Board and Standards Australia in accordance with their Intergovernmental Agreement and Memorandum of Understanding with the Federal Government that would demonstrate:

- there is a rigorously tested rationale, including evidence that a problem exists that requires regulation
- the proposals are effective and proportional to the issues being addressed such that the code will generate benefits to society greater than the costs (that is, net benefits);
- there is no regulatory or non-regulatory alternative that would generate higher net benefits; and
- the competitive effects of the code have been considered, and the code is no more restrictive than necessary in the public interest. This includes transparency about the management of conflicts of interest and declarations by the members of the working groups, many of whom represent organisations whose members would be affected by the regulations.

The Australian Building Codes Board and Standards Australia did not provide these documents for any part of the proposed regulations and subsequently withdrew the regulatory content. Correspondence from the Australian Building Codes Board is attached.

In the context of the National Competition Policy Analysis, the possibility that regulations are being adopted without consideration of their cost and competitive effects has serious and long-term impacts on the efficient and competitive operation of the building industry, creating an unnecessary cost burden on the Australian community.

When considering the use of either Australian or International standards, the most important consideration is the existence of a public, evidence-based report outlining the rationale and costs and benefits to the community. Both international standards and Australian Standards should be required to demonstrate this benefit, including harmonising any existing Australian standards.

Kind regards

Jackie Hammond

Chair, Rainwater Harvesting Australia *(a division of Irrigation Australia Ltd)*