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Dear Sir,

Productivity Commission Draft Report – Reform of Building Regulation

The Housing Industry Association (HIA) welcomes the opportunity to provide further comment on the Commission's Draft Research Report into the reform of building regulation and accordingly, we attach a copy of our submission.

HIA considers that draft report provides an opportunity for governments to make considerable progress toward the achievement of national consistency in building regulation. The scope for future progress of the current reform agenda will be significantly influenced by the continued involvement of the Australian Government in the reform process and the cooperation of the State and Territory governments.

The report identifies the need for further work in regulatory reform to be undertaken and this will require a strong commitment from all governments, particularly over the next year during which governments will consider renewal of the existing inter-government agreement that established the Australian Building Codes Board (ABCB) and has guided their activities over the past five years. .

While the report recommends that all governments recommit to an ongoing reform process by signing a new inter-government agreement through COAG, HIA considers that the political, social and environmental sensitivities of emerging regulatory issues, such as sustainable construction have seen a decline in the level of State and Territory government commitment to the achievement of national consistency in building regulations.

Therefore, the structure of the Australian Building Codes Board must be significantly strengthened to enable it to be an effective driver of regulatory reform in the future.

HIA has undertaken a review of the draft report and has identified three areas of principal concern:

- the Commission did not consider the economic efficiency arguments for establishing a statutory authority to replace the ABCB
- the recommendation to link national regulatory reform to a revised inter-governmental agreement would be of limited value without making the decisions of the Australian Building Codes Board binding , and
- the method of appointment of Directors to the Board of the ABCB needs to be revamped to allow for proper industry representation.

Accordingly, HIA consider that the current recommendations of the Commission's Draft Report will not produce an appropriate institutional structure to ensure the necessary level of commitment of State and Territory governments.

Yours Sincerely
Housing Industry Association

Ray Loveridge
Executive Director Technical Services



**HIA Submission on the
Productivity Commission
Draft Report on
Reform of Building Regulation**

October 2004

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EXECUTIVE SUMMARY

A review of the Productivity Commission's Draft Research Report on Reform of Building Regulation has been undertaken by the Housing Industry Association (HIA).

Arising from this review HIA has identified three areas of principal concern:

- the Commission did not consider the economic efficiency arguments for establishing a statutory authority to replace the ABCB
- the recommendation to link national regulatory reform to a revised inter-governmental agreement would be of limited value without making the decisions of the Australian Building Codes Board binding , and
- the method of appointment of Directors to the Board of the ABCB needs to be revamped to allow for proper industry representation.

The report of the Productivity Commission provides an opportunity for governments to make considerable progress toward the achievement of national consistency in building regulation. The scope for future progress will be influenced by the contribution of the Australian Government and the cooperation of the State and Territory governments, particularly over the next year during which these governments will consider renewal of the existing inter-government agreement that established the Australian Building Codes Board (ABCB) and has guided their activities over the past five years. .

While the ABCB has been responsible for the co-ordination of building regulation reforms since 1994, the political, social and environmental sensitivities of emerging regulatory issues, such as sustainable construction have seen a decline in the level of State and Territory government commitment to the achievement of national consistency in building regulations.

Consequently, the institutional and administrative structure of the current Australian Building Codes Board must be significantly strengthened to enable it to be an effective driver of regulatory reform in the future.

In this context, HIA consider that the current recommendations of the Commission's Draft Report will not produce an appropriate institutional structure to ensure the necessary level of commitment of State and Territory governments.

The opportunity to improve the operations of the current Australian Building Codes Board is one that neither government nor the building industry can afford to miss.

INTRODUCTION

Arising from a review of the Productivity Commission's Draft Research Report on Reform of Building Regulation, HIA has identified three areas of principal concern:

- the Commission did not consider the economic efficiency arguments for establishing a statutory authority to replace the ABCB
- the recommendation to link national regulatory reform to a revised inter-governmental agreement would be of limited value without making the decisions of the Australian Building Codes Board binding , and
- the method of appointment of Directors to the Board of the ABCB needs to be revamped to allow for proper industry representation.

In reviewing the report, HIA has also prepared comment on a number of other findings and recommendations including;

- assessment of the impact of reforms
- the inclusion of asset protection as an objective of building regulations
- the development of a national template for home building contracts
- education and training programs
- insurance requirements
- consolidation of relevant OH&S issue into the BCA
- measurable criteria in performance requirements
- deemed-to-satisfy provisions equating to performance requirements
- local government imposing local requirements

HIA has not provided specific comment on those findings and recommendations with which we agree.

KEY ISSUES

1. Establishment of a statutory authority to replace the ABCB

In Draft finding 10.4 the report states that “overall, current institutional arrangements for pursuing building regulation reform have been reasonably effective. However, there is scope for some refinements to structures and processes to further improve effectiveness and efficiency”.

HIA considers that the institutional arrangements for the operation of the ABCB are not appropriate. Currently, the Board operates within the Department of Industry, Tourism and Resources and is perceived to be an Australian Government operation. This perception has the potential to stifle co-operation between regulatory jurisdictions and be a reason for the diminishing co-operation between States and Territories.

In the Overview of the Commission’s report it is stated (p xxxv) that the need for greater independence could be addressed by a Memorandum of Understanding (MOU) between the Board and the Department and that the creation of a statutory authority was not warranted. The bases for this conclusion are not specifically referenced; however the establishment of a statutory authority may not have been recommended because;

- ☐ States and Territories may perceive this activity as abrogating their constitutional power to regulate building work and would be unlikely to cooperate,
- ☐ the Australian Government may be reluctant to act on such a recommendation unless it was satisfied that a statutory authority would be a cost effective entity,
- ☐ the existing ABCB is perceived by the Commission to have performed reasonably well over the years, and
- ☐ there is presently no readily identifiable political sponsor to support institutional reform.

HIA is concerned that the Commission has not included specific reasons for its conclusion that a statutory authority is not warranted. Consequently, it is possible that the Commission has not considered nor appropriately assessed the economic efficiency arguments for establishing a statutory authority to replace the ABCB.

HIA acknowledges that there may be potential impediments to the future establishment of an independent administrative institution to drive national consistency in building regulations; however the existence of such impediments should not become justification for non-action. It should be recognised that the institutional arrangements considered by the Commission as being sufficient for the operations of the Board during the 1990’s will not be sufficient in the future. Over the past few years a number of States and Territories have demonstrated that institutional arrangements of the ABCB are not appropriate by providing lip service to the Board and then pursuing their independent agendas. The specific reasons for this outcome may vary for the respective jurisdictions; however a significant reason is that have become frustrated with the Board’s inability to produce regulatory outcomes in a responsive manner.

HIA also considers that industry efforts to foster the development of a national regulatory environment are frustrated because of the numerous Ministerial portfolios and bureaucracies responsible for building regulations within Federal and State governments. Consequently, the establishment of an independent, cross portfolio entity that is responsible for the co-ordination of nationally consistent regulatory provisions would overcome the current level of political and bureaucratic fragmentation.

2. National regulatory reform to be founded on a revised inter-government agreement

The recommendation to further develop national regulatory reform solely on the basis of a new inter-government agreement (IGA) is not supported. While it is acknowledged that such a document will need to be negotiated by all governments regardless of whether new institutional arrangements for the operation of the ABCB are developed, HIA considers that an IGA operating in isolation would not generate sufficient commitment to a national reform agenda as it would still rely on the collaborative political will of individual signatories to produce national outcomes.

HIA understands that the proposed IGA is envisaged to be the product of a COAG agreement rather than one reached by Ministers of relevant portfolios and therefore it should reflect a “whole of government” commitment to national outcomes and provide a stronger commitment than presently exists. Despite the proposal to develop the IGA through COAG HIA does not share the Commission’s optimistic view of the power of an IGA.

During the roundtable discussions following the release of the draft report HIA referred to the significant degree of technical consensus that had been reached on the greater majority of issues forming the fundamental content of the initial BCA. This high level of consensus was achieved primarily because the issues being addressed were basically technical in nature. However, following the initial development of the BCA, the new wave of issues being incorporated into regulations by governments, such as sustainable construction, are more sensitive to political interpretation and consequently the level of consensus being achieved during the development of regulations to address these issues has diminished significantly.

While an IGA may have provided an appropriate platform in the past it is now evident that a more rigid platform is needed simply because future additions to regulatory regimes are expected to produce differing political, environmental and social perspectives among individual jurisdictions. In this context, our comments presented in Section 1 relating to the establishment of an independent, cross portfolio entity that maximises the commitment of all nine governments are reiterated.

3. Composition of the ABC Board being considered appropriate for it’s current role

As highlighted in our initial submission, HIA suggests that the composition of the Board has been a significant reason for the diminishing commitment of a number of State and Territory governments to the existing IGA. The lack of commitment has been evident over the past couple of years during which industry has been exposed to a growing trend for independent action by governments to the development of building regulations addressing sustainable development. Additionally, the Board does not appear to have the inability to identify emerging issues within the industry and therefore it is generally recognised as being a reactive organisation, which is a constant source of frustration to member governments endeavouring to be responsive to community needs.

In regard to membership of the Board, HIA has consistently expressed the view that in order for the Board to function effectively members should have appropriate knowledge of the building industry and sufficient expertise in issues for which the Board is to responsible. Additionally, members must have the authority to exercise the responsibilities bestowed upon them as representatives of government.

Membership should be drawn from both government and private sectors and HIA supports the views expressed in the report that there should be direct industry representation.

HIA believes that the current process for selection of industry representation being based on nominations provided by the Australian Construction Industry Forum is inappropriate and that a revised selection procedure should be implemented to ensure that peak industry bodies can be represented.

ANCILLIARY ISSUES

1. Asset protection as an objective of building regulations

Draft recommendation 6.8 of the Commission's draft report proposed that the ABCB (or its replacement) should pursue, in consultation with interested parties (especially fire authorities), increasing the asset protection objective of the BCA in relation to building categories other than stand alone residential housing, to align with the requirements generally imposed by fire authorities and favoured by insurance companies. HIA does not support this proposal.

Should draft recommendation 6.8 be pursued, HIA agrees with the Commissions recommendation that stand-alone dwellings should be exempt from any future requirements related to the enhancement of existing levels of property protection in buildings and would urge the Commissioner to consider an extension of the recommended exemption to both Class 1 (single detached and attached dwellings) and Class 2 (multi-unit) residential buildings.

The principle of providing for the general protection of property through building regulation has long been a contentious issue, primarily due to building regulations in Australia being historically founded on the principle that the protection of property is limited to the protection of adjoining property. Consequently, design requirements are such that should a fire occur in a building and the building is subsequently destroyed, adjoining property will not be damaged.

This principle has operated effectively for decades; however there is evidence of growing pressure for reform driven by the interests of insurance companies and concerns of fire authorities for the occupational health and safety of fire fighters. While both these issues may result from the performance of buildings in emergency situations, neither is perceived as relevant to the reform of building regulations to supplement asset protection.

In regard to the interests of insurance companies, it is mentioned in the Commission's report (p.142) that individual insurance companies have their own building design requirements and that BCA compliant buildings may not meet those requirements. It was suggested that such buildings could not be insured without further incurring expense, presumably to cover the additional fire protection requirements of the insurers. HIA considers that the ability to insure a building should result from the application of market forces and free choice and that it is reasonable to expect that a BCA compliant building is able to be insured. Individual building owners should be free to either accept an offer from a prospective insurer or investigate alternate sources of insurance cover. Government should not be enhancing the content of building regulation to reduce insurance companies' exposure to risk.

The report also mentions that the Australasian Fire Authorities Council (AFAC) considered that the community expects that their properties will remain protected by building regulations, that the negative impact on the environment from fire will be contained and that the community and business disruption will be kept to a minimum. HIA suggests that such an outcome would be inconsistent with the current goals of building regulations and the expectations of the building design and construction industry.

In regard to community expectations, the Commission recognises that what the community expects may bear little relationship to what it is willing to pay for or what would be the solution that maximises net benefits to the community (p 83). Additionally, the report highlights that community expectations are likely to differ between communities reflecting differences in geographic and social conditions and are also likely to change over time perhaps reflecting changes in social and economic conditions. Consequently, HIA considers that perceived community expectations are not an appropriate driver for reform of levels of asset protection in building regulations.

Another issue being offered as a reason for promoting asset protection in building regulations is the occupational health and safety for fire fighters. As mentioned in our initial submission, this issue has previously been used as a reason for not supporting fire engineered alternative solutions, usually in regard to the design of single fire compartment buildings. In the event of fire in a single fire compartment building, regardless of whether it has been the subject of an alternative solution, fire may well have been burning for some time prior to the arrival of the brigades and therefore conditions within the building may prevent brigade officers from entering. Such conditions would be a hindrance to brigade officers undertaking fire fighting activities to the extent deemed necessary and could well place officers at risk if they enter the burning building.

Such an outcome for a single fire compartment building is considered to be beyond the realms of the current objectives of the BCA. However; in a multi-fire compartment building, such as a high-rise office building, it should be possible for brigade officers to enter a fire compartment adjoining the compartment of fire origin and undertake fire fighting activities in a more favourable environment. Consequently, the current regulations do facilitate fire fighting operations in multi-fire compartment buildings.

HIA also suggests that the BCA recognises that occupants of different classifications of buildings are exposed to different levels of risk and therefore the BCA has different fire safety requirements for certain buildings, such as residential buildings or hospitals and other health care buildings. While the enhanced level of fire safety required within the buildings is related to the protection of the occupants, it is expected that an enhanced level of property protection will also be inherent within the building. By way of example, smoke detectors are mandatory in Class 1 and Class 2 residential buildings and these are installed as a means of providing early warning to occupants of the presence of fire in their residence. While smoke detectors maximise time for occupant escape they also provide occupants with time to extinguish small fires before they develop and this outcome enhances asset protection.

2. Development of a national template for home building contracts

In its report the Commission made draft recommendation 7.1 that the ABCB (or its replacement) should work to facilitate a national template for home building contracts.

HIA does not support the ABCB or its replacement working to facilitate a national template for home building contracts.

HIA notes that building work is infinitely variable and that the concerns of the parties vary from project to project. It is not appropriate or reasonable to promote a national template for home building work. HIA notes that both Queensland and New South Wales governments print their own home building contracts. These contracts do not have a high degree of market acceptance and are subject to a high degree of criticism from contract users. Attempts to establish pro-forma contracts in these States have been unsuccessful.

Home building work is already heavily regulated and regulated contracts provide a high degree of consumer protection due to these laws. The laws are made at a State level and vary from State to State. The regulation of contracts at a State level is under the Queensland Domestic Building Contracts Act, the New South Wales Home Building Act, the ACT Building Act, the Victorian Domestic Building Contracts Act, the Tasmanian Housing Indemnity Act, the South Australian Building work Contracts Act and the Western Australian Home Building Contracts Act. The Northern Territory is considering its own legislation to regulate domestic building contracts. These laws are not the same, impose different requirements and use different terms and drafting styles that would make a national template for such work to be impractical.

There is in existence a cooling off period in Queensland, New South Wales, Victoria and South Australia. There is an information booklet to be given to the consumer in Queensland, New South Wales, South Australia and Western Australia. There is a checklist forming part of the contract in New South Wales and Victoria.

There is regulation against unconscionable, misleading or oppressive conduct in all States under trade practices and fair trading laws with specific building contracts laws on these issues in Queensland, Victoria, South Australia and Western Australia.

In all States the builder must build according to the law. This obligation is most frequently imposed by virtue of an implied statutory warranty. This requirement means that the builder must build according to the relevant Building Act (and therefore the BCA).

HIA submits that the report appears to place an overemphasis on the recent New South Wales changes in February 2004, as opposed to the regulatory environment on other States, and also to the extent that these changes added to the degree of protection in that State.

The changes in New South Wales to mandate implied contract terms actually did little for consumer protection as the builder was already under a statutory warranty to do the building work in accordance with the contract and the law (Section 18B of the Home Building Act). The significant difference between the contract term and the statutory warranties is that the warranties ensure for the benefit of successors in title whereas the contract term does not.

The statement in box 7.2 that Victorian contracts do not require compliance with the BCA is incorrect. Aside from the obligation that would otherwise be implied by law to build in accordance with the law, Section 8 of the Domestic Building Contracts Act implies a statutory warranty in basically the same terms as that under section 18B of the Home Building Act. Similar statutory warranties are also implied under Section 88 of the ACT Building Act, Part 4 of the Queensland Domestic Building Contracts Act, Section 32 of the South Australian Building Work Contractors Act and Section 7 of the Tasmanian Housing Indemnity Act.

It is a misunderstanding to believe that these warranties only serve to underpin any statutory home building warranty insurance (HBWI). These warranties give the home owner a genuine right to make a claim for damages for breach of warranty against the builder independent of the right of the owner to make a claim under any HBWI policy.

As noted above the information asymmetry referred to on page 180 of the draft report has been addressed by each and every State other than the Northern Territory (where it is currently subject to a proposed legislative response). HIA submits that the report needs to give greater consideration to the position in all States. If such a consideration is undertaken HIA submits that the report could not conclude that there is an unaddressed deficiency.

The issue of the regulation of consumer protection and the regulation of consumer contracts has been the province of the Fair Trading or Consumer Affairs Departments of each State Government. HIA does not support the ABCB becoming involved in consumer contract regulation or debate. The extent of regulation of contracts often has consequences unintended or misunderstood by those who have created the regulation. While some aspects of regulation are good practice and have provided benefits to all concerned, the overregulation of certain contract aspects in some States creates unintended consequences, injustices or hardships.

3. Education and training programs

In Section 7.6 of its report the Commission invited comments on whether the current education and training arrangements in the building and construction industry are adequate and whether there would be a future role for the ABCB (or its replacement) in relation to training.

The building and construction industry has undergone considerable change over the last few decades which have affected the way people are employed, the way work is carried out at the worksite and the corresponding breadth of skills required by workers.

These changes have made it difficult for many individual enterprises, particularly in the housing industry to employ new entrants under contracts of training (apprenticeships and traineeships) and has put pressure on prescribed courses to adapt to changing industry requirements.

The process used in the development of the Training Package for the building and construction industry has to date not sufficiently addressed these important issues, rather the process was more about converting the existing trade qualifications to competency based training outcomes.

Many current qualifications within the Training Package for the building and construction industry do not adequately reflect the jobs people actually do, particularly in the housing industry.

The lack of relevant training for work performed therefore is the primary reason why so many workers and contractors do not have formal qualifications, rather they have gained the skills they need on the job in the area in which they choose to operate.

The workers therefore have little or no knowledge of the Australian Standards which underpin the skills taught during formal training.

This is exacerbated over time, as these same people themselves become employers and simply pass on to their trainees the practises that they utilise.

HIA has consistently argued for increased flexibility in the qualification structures to meet the need of workers in specialised areas, a feature of the operation of the housing industry, but these have been blocked in our industry primarily because of industrial relations pressures and resistance by those seeking to maintain the long established trade structures.

The current structure is also a contributing factor to the lack of uptake of apprenticeships because the traditional four year term is no longer required in some trades.

Unless these fundamental issues are addressed many new entrants into the industry will not come to improve their required understanding of the required standards.

With respect to builders knowledge of the Standards this has improved significantly as it has become an important component in all licensing courses.

In addition to the qualification for builders, there is planned to be relevant training available also for supervisors, contract administrators, estimators and a number of other occupations that will see a lift in training participation and competency for many workers in the industry.

This will result in increased knowledge of standards and correct construction methods.

HIA nationally offers to industry a range of course focussing on the BCA, its structure, content and application. As well numerous short courses are delivered focussing on specific codes and standards.

Many of these are substantially subsidised by the industry training levies and well supported. It has in fact become a feature that many individual companies now engage HIA who in partnership with various suppliers and trade associations deliver these same short courses to their staff and groups of contractors.

HIA strongly endorses the increase in formal training participation by the industry workforce. It is equally strongly of the view however that the training undertaken must be relevant for the jobs workers do.

In summary, HIA are of the view that the ABCB should limit their role in the field of education and training to the development of educational material on changes to the BCA. The building industry should be responsible for the delivery of educational material and the development and delivery of training material for industry practitioners.

4. Insurance requirements

In Section 7.6 of its report the Commission invited comments on the appropriate role of the ABCB in regard to insurance sector issues with respect to building regulation

The objective of Home Building Warranty Insurance (HBWI) is to provide cover to the home building public against three specific events, namely the death, disappearance or insolvency of their builder (with the exception of Queensland where cover against defective work also exists).

In this way HBWI does not directly contribute to the quality of building work and should not be expected to. However, indirectly through the underwriting requirements of the HBWI insurers, builders who are assessed as being of greater financial exposure to the insurer may be denied cover.

This in turn suggests that builders with HBWI cover are more likely to have a financially strong and durable business, better able to meet the needs of their clients and build a better home. In these circumstances it is the underwriting standards of the insurers that will determine the strength of this indirect benefit to the quality of buildings and as such is not something which should be regulated either at the state or federal levels. Competitive pressure in the insurance industry should be left to resolve these underwriting standards.

Moreover in the wake of the collapse of HIH state governments worked with the insurance industry to deliver what is now a relatively uniform regulatory environment for HBWI. There would seem to be little further to be gained from the ABCB or a replacement body becoming involved in the regulation of HBWI. Given the scope of HBWI cover it is more a matter for Consumer Affairs Ministers than building regulators.

The issue of professional indemnity insurance in the building industry has also changed significantly in recent years as the draft report acknowledges. In the normal course of business the availability of PI cover would be just one of many considerations a business would make in deciding with whom to do business. The objectives of mandated PI cover for some classes of operative in the building industry have mainly been aimed at providing some comfort to consumers relying on these people that they will be protected in the event that advice or services provided lead to problems with their building. The link between mandated PI cover and building quality is weak although stronger than the link with HBWI as there is an opportunity for insurers to price, or outright exclude, poorly performing operatives out of the building process. From a regulatory perspective mandating PI cover is therefore again more of an issue for Consumer Affairs portfolios and business licensing regimes than building regulation. There may be scope for the ABCB or a replacement body to work with the States to deliver greater consistency in the application of mandated PI requirements and to assess their effectiveness.

5. Consolidation of relevant OH&S requirements into the BCA

In its report the Commission made draft recommendation 6.5 that the ABCB (or its replacement) should continue its work on removing inconsistencies between occupational health and safety (OH&S) legislation and the BCA and incorporating relevant OH&S requirements that impact on building into the BCA. This recommendation suggests that there may be some conflict between BCA requirements and OH&S legislation, however HIA do not believe that this is correct.

HIA have consistently supported the principle that all legislative requirements relating to the design and construction of buildings should be consolidated into the BCA. However, it must be recognised that the current BCA does not have OH&S considerations as a goal for its content and therefore consolidation of relevant OH&S provisions would be inappropriate at this time.

The ABCB has recently established a Core Strategic Group (CSG) to prepare a strategy for Board approval on the development of the next generation BCA, which is understood to be scheduled for release in 2007-08. Part of development of the new BCA will be consideration of new goals to address emerging issues such as sustainable construction.

In this context, OH&S issues could also be included as part of the CSG review process. Accordingly, it may be more appropriate for the Commission to recommend that the ABCB, or its replacement, consider the propriety of consolidating essential OH&S legislative requirements into the next generation BCA as part of the activities of the CSG.

6. Measurable criteria in performance requirements

In its report the Commission made draft recommendation 5.2 that the ABCB (or its replacement) should enhance efforts to make the performance-based requirements in the BCA more effective. This should include providing measurable criteria to aid in judging compliance and clarifying the assessment process to be used. This should be given a high priority.

While HIA agree with this recommendation it is important that the process used to make performance requirements more effective does not stifle innovation or the potential development of alternative solutions. During the development of the BCA a decision was made to not include quantified outcomes within the performance requirements in order to provide for unlimited alternative solutions. HIA consider that this principle should be retained and that the most appropriate method to provide measurable criteria as an aid to assessing compliance of alternative solutions is to develop verification methods.

This process has been used for a very limited number of existing performance requirements in Part C1 of the BCA and should be expanded. Initial efforts should be applied to those performance requirements that are commonly the subject of alternative solutions.

7. Deemed-to-satisfy provisions equating to performance requirements

In its report the Commission made draft recommendation 5.3 that the ABCB (or its replacement) should enhance efforts to ensure that all deemed-to-satisfy provisions in the BCA offer an equivalent level of building performance to that required by the performance requirements.

HIA do not agree with the general direction of this recommendation. The defined purpose of a performance requirement is to state the level of performance that a building solution must meet.

In an ideal environment the development of performance based building regulations would presumably be undertaken by the application of a “top down” process, i.e. the performance requirements of the regulatory system would be prepared first and then methods of achieving those requirements would be developed to ensure compliance with the performance requirements, however the Board could not apply this process to the development of the document. In essence, the BCA was developed from the “bottom up” in that the existing prescriptive regulations of the pre-performance- based BCA became the new deemed-to-satisfy provisions even though there was no validation process to assess their outcomes in comparison to the levels stated within the new performance requirements.

Consequently, if the existing deemed-to-satisfy provisions were to be revamped to ensure equivalence to the existing performance requirements, many methods of construction, building materials and building products that have been demonstrated over time to produce satisfactory outcomes may no longer be acceptable simply because they do not meet relatively new performance requirements. HIA consider the scope of the recommendation to be excessive and, if it was applied to existing deemed-to-satisfy provisions, could have very serious repercussions on the building industry and the manufacturing and supply industries.