Ref: CS2004044 - 20th July 2004

Mr Tony Hinton Commissioner Study into Reform of Building Regulation Productivity Commission PO Box 80 Belconnen ACT 2616



Dear Mr Hinton

Reform of Building Regulation

As you may be aware, the Institution of Engineers Australia (now known as Engineers Australia) is the leading engineering professional body in Australia. Engineers Australia also has learned societies that bring together people from diverse backgrounds who have a common interest in an area of professional practice.

The Society of Fire Safety of Engineers Australia (SFS) has taken a leading role in promoting the use, application and understanding of the fire safety provisions of the performance-based Building Code of Australia (BCA) and in other key matters that impact on community fire safety. We therefore have an interest in your Reform of Building Regulation project and would like to comment as follows.

1. A Brief Historical Background

The Building Regulation Review Task Force (BRRTF) was established by the 1989 Special Premiers' Conference to review technical regulations, codes, standards, and other requirements affecting the construction and operation of buildings. Its terms of reference were to recommend procedural reforms which could lead to improved efficiency and reduced cost within the building industry.

The BRRTF was an independent body with senior executives from industry and government and supported by an executive group set up within the Housing and Construction Industries Branch of the Federal Government Department of Industry, Technology and Commerce (DITAC). The Task Force maintained a close relationship with the Australian Uniform Building Regulations Coordinating Council (AUBRCC) and had actively sought the industry views through a series of national forums, reports and discussion papers.

The culmination of the BRRTF's work was the *Micro economic Reform Building Regulation, final report, November 1991*. This document was the result of two years investigation and consultation into reform of building regulations in Australia and set out recommendations for reform and a time frame within which to achieve these reforms.

A total of 16 recommendations were included and can generally be summarised as:

- Establishment of a national body (Australian Building Regulation Corporation [ABRC]) for management of building regulation. (This body has since been established and is known as the Australian Building Codes Board).
- ABRC to be owned by Federal, State and Territory governments as management shareholders, with funding from a Building Regulation Levy collected by each State and Territory government.
- State and Territory governments to agree to a set of principles to promote consistency in building control including:
 - adoption of BCA nationally,
 - > 10 year lability limitations,
 - adoption of nationally consistent dispute resolution procedures,
 - crown to be bound by BCA,
 - > a national system of accreditation for building products, systems and techniques, and
 - > uniformity and transportability of qualifications.
- Creation of a model administrative code to promote nationally consistent administration of building regulation.
- Provision for independent private certification of design, construction and occupancy of buildings.
- Provide support to achieve technical reform of building fire safety regulations, based on appropriate risk assessment modelling, and including development of a National Building Fire Safety Systems Code.
- Development of a separate system for housing construction including a National Housing Code, a National Housing Standard, and a National Home Building Manual.
- Provision of streamlined building approvals through a "one stop shop" approach whilst maintaining quality safeguards and consumer protection.
- Licensing of home builders and subcontract tradesmen.

These recommendations were intended to be implemented over a five year plan and the report was then forwarded to the Federal Government and AUBRCC for further action. (This consequentially completed the terms of reference established and the Task Force was wound down in late 1991.)

The Inter-governmental agreement on building regulatory reform of 1994 (IGA) then came out of this reform environment.

2. Current status of the BRRTF reforms

The following is a summary and status of the key BRRTF recommendations:

	BRRTF RECOMMENDATION	STATUS
	Establishment of a national body (Australian Building Regulation Corporation [ABRC]) for management of building regulation.	Achieved.
		(Known as Australian Building Codes Board)
Terri shar Reg	RC to be owned by Federal, State and itory governments as management reholders, with funding from a Building ulation Levy collected by each State and itory government.	Only Victoria has building levy.
a se	e and Territory governments to agree to et of principles to promote consistency in ding control including:	
> A	Adoption of BCA nationally.	Achieved although State and Territory variations remain.
	Adoption of nationally consistent dispute esolution procedures.	No progress.
> A b	A national system of accreditation for building products, systems and	Achieved although State systems also remain.
	echniques.	Generally achieved.
	0 year liability limitations.	Generally achieved.
	Crown to be bound by BCA.	No progress.
	Uniformity and transportability of qualifications.	
pron	ation of a model administrative code to note nationally consistent administration uilding regulation.	Not achieved.
of d	vision for independent private certification design, construction and occupancy of dings.	Generally achieved.
of b appr inclu	vide support to achieve technical reform uilding fire safety regulations, based on ropriate risk assessment modelling, and uding development of a National Building Safety Systems Code.	Fire Engineering guidelines published by Fire Code Reform centre April 1996 and 2 nd edition published by the ABCB in 2001.
hous Hous	elopment of a separate system for sing construction including a National sing Code, a National Housing Standard, a National Home Building Manual	Only national housing code developed (Volume Two f the BCA).
throi mair	vision of streamlined building approvals ugh a "one stop shop" approach whilst ntaining quality safeguards and sumer protection.	Only partially achieved.
	nsing of home builders and subcontract esmen	No national registration system in place.

3. The Views of the SFS

The SFS believes that the ABCB has gone a long way towards achieving the recommendations of the BRRTF, within the limitations of its charter, and should be particularly congratulated for the significant achievements of the introduction of the performance-based BCA.

The above list however clearly highlights significant reform work yet to be done and the SFS believes this work should be in the following priority order.

- 1. Creation of a model administrative code to promote nationally consistent administration of building regulation (particularly the BCA).
- 2. Uniformity, accountability and transportability of qualifications, particularly for design professionals, building certifiers and builders (through a national practitioner registration system).
- 3. Support of the ABCB and the regulatory reform process (including capacity for regular and ongoing research to be undertaken into key issues) by funding from a Building Regulation Levy collected by each State and Territory government.
- 4. Provision of streamlined building approvals through a "one stop shop" approach whilst maintaining quality safeguards and consumer protection (co-ordination of overlapping building legislation such as Occupational Health and Safety, Dangerous Goods and Fire Brigade Acts).
- 5. Adoption of nationally consistent dispute resolution procedures.
- 6. A national system of accreditation for building products, systems and techniques.

In relation to the terms of reference of the Reform of Building Regulation Project of the Productivity Commission, the SFS believes:

- a. the IGA on building regulation reform of 1994, as revised, is broadly achieving its objectives;
- b. the IGA is producing significant gains for the industry and maximising net benefits for the Australian economy;
- the IGA is generally providing efficiency and cost effectiveness in meeting community expectations for health, safety and amenity in the design, construction and use of buildings through nationally consistent building codes, standards and regulatory systems;
- d. there is a strong need for on-going national co-ordination of the Building Code and related reforms; and
- e. the Australian Government's role is crucial in achieving further building regulatory reform.

The SFS believes that these reforms can best be achieved by strengthening the resources, structure, jurisdiction and authority of the ABCB. In particular, any future IGA ought to have direct agreement on the specific reforms indicated above.

If you require any further information or would like to discuss personally, please feel free to call Mr Stephen Kip on 03 9793 0088 or myself on 02 9247 1444.

Yours Faithfully,

per

Carlos Quaglia
National President,
Society of Fire Safety
Engineers Australia