



MASTER BUILDERS ASSOCIATION OF WESTERN AUSTRALIA

30 April 2004

Study into Reform of Building Regulation
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

ABN 83 590 927 922

Construction House
35-37 Havelock Street
West Perth WA 6005

PO Box 167 West Perth
Western Australia 6872

Telephone: (08) 9322 5133
Facsimile: (08) 9322 5518
Email: mba@mbawa.com
Web: www.mbawa.com

Dear Sir/Madam

Inquiry Response from Western Australian Building and Construction Industry

This letter outlines the view of builders operating in Western Australia on the regulation of building matters and the role of the Australian Building Codes Board (ABCB) in that process. Our comments have been developed following consultation with members of the Association.

The Master Builders Association (MBAWA) is Western Australia's oldest industry organisation providing services to the building and construction industry. It is a member of a nation wide MBA movement which has a federal structure, which provides each state and territory autonomy in their operational activities. In Western Australia, our membership exceeds 1,000, and nationally the MBA movement has around 28,000 members. We understand that our national body will also be making a submission to this Inquiry.

MBAWA supports the role of Building Code of Australia (BCA) in providing a minimum standard for building work. Our organisation is a member of the State Building Regulation Advisory Committee (BRAC) which has operated successfully to ensure that the BCA works effectively in Western Australia.

However, we are concerned about the practice of local authorities imposing building requirements in excess of minimum BCA standards. There are 143 local authorities in Western Australia. The growing trend of local authorities to

- (i) impose planning requirements as part of a building licence on single residential buildings, and
- (ii) impose differing interpretations and requirements which are in excess of BCA provisions,

has imposed a significant cost burden on homebuyers and builders' clients. A recent national survey by MBA revealed extra costs of around \$2,000 per new dwelling or a \$60 million additional cost burden on the building and construction industry caused by local government requirements which are additional to BCA provisions.

MBAWA is keen to ensure that industry is fully aware of the BCA and any revisions that might emerge. In our view the Australian Building Codes Board has not achieved its stated objective to increase community awareness of building regulatory reform and the BCA. MBAWA's position is that every registered builder should possess the latest version of the BCA and any updated versions. But the ABCB needs to ensure that documents are written in a manner which can be easily understood by industry practitioners.

This practice may reduce continued confusion about, for example, the purpose of the “performance based approach” to standards. While we understand that the purpose of introducing this approach is to provide greater flexibility in the manner in which builders can meet building requirements, there remains confusion amongst some builders about correctly assessing alternative solutions, and the need to communicate, and obtain authority for, these solutions from local authorities and clients.

ABCB and industry need to develop a better education program, particularly in regional areas of Australia to ensure that builders better appreciate BCA provisions.

The State government in Western Australia is currently preparing a discussion paper on the possible introduction of a new Building Act to regulate the building industry. Part of this legislation will address reforming the risk and liability landscape in the building industry. MBAWA's position is that reform is necessary to limit maximum liability for property damage from defects to a ten year maximum. Moreover the concept of private certification to enable private sector building certifiers to issue building approvals and ensure Code compliance is not supported at this stage by our Association.

MBAWA is interested to see as part of the debate on a new Building Act, an alternative model of self-regulation as a control mechanism on the industry.

The level of conformity by owner builders with BCA requirements needs to be examined and recognised by the Productivity Commission. Owner building represents about 10 per cent of total dwelling construction in Western Australia. MBAWA has serious reservations about the degree of understanding of, and compliance with, the BCA by owner builders.

There are currently only a few Western Australian variations to the BCA, but adoption of national uniformity of building regulations is more difficult to implement in our large state (in geographical terms) with significant variation in soil types, construction methods, climate and so on. Local conditions always need to be taken into account. Failure to do so could lead to the BCA becoming an inflexible document, unrelated to current building practices in certain regions. There are already instances where a BCA provision is out of step with current building practice. Greater uniformity of BCA provisions may be difficult to achieve in such a large country as Australia.

MBAWA is also aware of diverse industry and community groups seeking to impose greater industry regulation through inclusion of “non-building” matters such as security devices into the Building Code. The BCA should be confined to matters affecting the building fabric and peripheral building matters need to be excluded from the document.

Thank you for the opportunity to comment on the operation of building regulatory reform in Western Australia. Should there be any matters that you wish to discuss in more detail, kindly contact the undersigned.

Yours faithfully
MASTER BUILDERS ASSOCIATION OF WA

Gavan Forster
DIRECTOR HOUSING & ECONOMICS