

Australian Building Codes Board

Dr Neil Byron
Presiding Commissioner
Productivity Commission
Locked Bag 2
Collins Street East
Melbourne Vic 8003

Submission from Master Builders Australia on Energy Efficiency

Dear Dr Byron

Prior to formulating your final report on Energy Efficiency, I would like you to consider our response to some of the issues raised by Master Builders Australia (MBA).

Methodology and rigour of energy RIS

The MBA expressed concern about the methodology and rigour of the cost-benefit analysis for both the commercial and residential energy proposals. MBA also stated that the deemed-to-satisfy provisions are set too high (regardless of the adequacy of the assessment).

MBA called for more transparency and more consultation on the calculation of building costs. We point out that in the case of the commercial buildings, the ABCB established a working group to advise on methodology and cost calculation. MBA was represented on the Board's relevant working group.

MBA also recommended the use of quantity surveyors to advise on the costs of BCA proposals. That is already standard practice for Regulatory Impact Statements (RIS) prepared by the ABCB. However, quantity surveyors usually require a specific design on which to prepare the quantities. In the case of the energy proposals, the analysts had to take the view of a builder, faced with various design choices resulting in different costs. An iterative approach was used whereby costs per unit were obtained from quantity surveyors then these were given to expert designers to come up with the most cost-effective compliance method.

The comment by MBA that a window installed at the first floor level may cost many times that of a similar window installed at ground floor level is well appreciated by the ABCB officers and our consultants.

Role of the Office of Regulation Review

The MBA also discusses the role of the Office of Regulation Review (ORR) in assessing ABCB cost-benefit analyses.

ABCB is acknowledged by the ORR as consistently meeting its obligations under the Council of Australian Government's agreement on national standards setting. Since 1995, ABCB has submitted many RIS to the ORR. Initially the ORR took an administrative approach to compliance but over the years, in accordance with amendments to the agreement, it has imposed greater levels of rigour and more steps in the process.

It is true that an ORR sign-off does not mean that every figure is correct but it does mean that the overall standard as required by the COAG agreement has been met.

I trust that you will consider these comments.

Yours sincerely

Ivan Donaldson
Executive Director
27 June 2005

Cc Mr W Harnisch MBA