

**SUBMISSION TO PRODUCTIVITY
COMMISSION INQUIRY INTO FIRST HOME
OWNERSHIP**

AUSTRALIAN BUILDING CODES BOARD

5 NOVEMBER 2003

EXECUTIVE SUMMARY

There are often immediate term costs associated with the application of regulation affecting the design, construction and use of dwellings. In particular, costs associated with first home ownership include construction costs, operating costs, maintenance costs as well as indirect costs associated with health and safety issues and loss from fire and other threats.

The work of the ABCB aims to reduce the **overall** cost of home ownership in the following ways:

- providing a more uniform system so building product manufacturers can supply their products to all parts of Australia at lower prices per unit due to economies of scale;
- increasing competition by enabling building certifiers and other building practitioners to work more readily across State borders;
- allowing performance-based solutions that are tailor-made to a project thus meeting regulatory requirements at lower cost;
- setting requirements for housing designed to perform over the life of the building;
- improving the energy efficiency of the house and reducing running costs;
- consolidating the technical requirements of various authorities and thereby reducing complexity, conflicting requirements and service fees;
- reviewing the suite of referenced standards to ensure that they are set at the minimum level and include the most efficient solutions; and
- encouraging and enabling innovation in design and construction.

OVERVIEW – ABCB AND THE BCA

The Australian Building Codes Board (ABCB) is a body funded by the Australian Government and State and Territory governments. Details about its nature, activities and primary responsibility for the Building Code of Australia (BCA) are at **Attachment A**. A recent publication on the Board's strategic priorities and contemporary work program is also enclosed.

In brief, the ABCB's role is to maintain and develop the BCA. Second, it is a catalyst for regulatory reform.

The ABCB is the interface between regulators, practitioners and other sectoral interests. The ABCB is able to effectively balance the competing views of the various stakeholders involved in the building industry and codify building related requirements in a practical, pragmatic and cost effective manner so that there is now a well accepted performance based national BCA. Savings to the industry of at least an order of magnitude higher than the costs incurred in developing the BCA were identified by an independent report on building regulatory matters in 2000.

The creation of the ABCB and the requirement for the BCA to be performance based arose from concern by industry and government that:

- the differing regulatory requirements for the building and construction industry in each State and Territory were unduly restricting competition and not allowing the industry to develop to the stage that it was internationally competitive; and
- the prescriptive nature of aspects of some regulation was, in some areas, restricting innovation in product development and restricting entry into the market.

The process to maintain the BCA is designed to obtain input from the community, industry, professional and technical specialist organisations such as the Cooperative Research Centre for Construction Innovation and Standards Australia International as well as the Australian Government and State and Territory Governments. The ABCB conducts research and extensive consultation processes before it accepts outputs from the development process. Also, there is no obligation on the States and Territories to call up the BCA in legislation.

The BCA does not specify products or seek to restrict activities to particular professional or trades groups. Skills based requirements, to the extent that they are addressed, are contained in State and Territory based legislation and regulations. The BCA does not favour or disadvantage any product or professional group or restrict their use in or entry to the market.

The BCA, in common with regulation measures generally, involves costs to the community, but it represents accepted industry and government agreement on what constitutes community standards for health, safety and amenity. It is not of itself legislation or sub-ordinate legislation but has legislative force to the extent that it is called up by the legislation of individual jurisdictions.

The process used by the ABCB ensures that national competition principles and COAG Guidelines for standards setting bodies are adhered to. The ABCB's processes are open, transparent and consultative. They ensure that there are no barriers to entry to a market or competition within the Australian market place by ensuring a common technical underpinning of building regulations within all jurisdictions.

Until this year, the demands of industry and governments have required the BCA to issue amendments twice each year. Most of these have been minor changes to improve, clarify or expand existing deemed to satisfy measures or performance requirements and have no major impact on industry. The more significant changes related to matters such as improved bushfire protection, structural provisions, eg the aftermath of the 1989 Newcastle earthquake, and, most recently, the new requirements for energy efficiency. The accompanying Case Study illustrates the point that while new regulation may involve additional construction costs this needs to be seen in the context of longer –term benefits and savings to the householder and the wider community.

CASE STUDY: WALL TIES

Amendment No. 7 to the Building Code of Australia 1996 included the adoption of a revised standard for wall ties in masonry construction. AS/NZS 2699 Built-in components for masonry construction Part 1 2000: Wall ties, supersedes AS2966 -1984 as the reference standard. It contains some significant improvements over the previous edition. Firstly, there are special strength and stiffness requirements for ties used in earthquake prone areas. Secondly, there are 5 durability classifications ranging from arid areas to within 1 km of a surf beach.

The poor performance of masonry structures in the 1989 Newcastle earthquake was found to be related to poor construction techniques and component durability. The cost to the nation was well over \$1 billion, with most of the structural damage being to masonry – in both old and recently constructed buildings. Investigators attributed much of the masonry damage to either inadequate or missing wall ties. In many cases the steel wall ties had corroded away. In domestic brick veneer construction, the masonry skin peeled off due to the failure of the wall tie connection to the timber studs. In both cases, improved wall tie selection and installation would have saved amounts disproportional to the cost (if any). In terms of cost, medium duty 175 mm long galvanised “red” ties (suitable for R0-R3 durability classifications) retail at \$85 per 500 (enough for a 160m² house) and stainless steel medium duty ties are \$46 per bundle of 50. This translates to a \$385 additional cost per house. This increase in costs only applies to houses within 1km of breaking surf. And then it should be considered as a minor increase in the total cost of the masonry system in order to give it the required design life.

The Code has now been in use long enough for the ABCB to be confident that future amendments will only need to be made on an annual basis. This will reduce any confusion which might exist as well as lower compliance costs.

The ABCB acknowledges that some State and Territory technical variations remain in the BCA but this number has been reduced substantially over time and continues to be addressed by the Board on a case by case basis. Additions in the BCA represent efforts in individual States to consolidate regulatory matters in the BCA to assist industry.

Also, the ABCB accepts that the processes it employs to develop new amendments, coupled with a requirement for Regulatory Impact Statements (RIS) for all major changes, makes the process slower than some in industry demand. Every effort is made to reach agreement between all parties to avoid a proliferation of variations by the State and Territory administrations. Although appearing to some as drawn out, the process is conducive to reducing variations as well as encouraging widespread acceptance of the BCA as representing the interests of all stakeholders.

REGULATION OF BUILDING IN STATES AND TERRITORIES

Constitutionally, building control is a matter that is subject to State and Territory laws. This has resulted in eight separate building regulatory systems.

Each State and Territory determines the application of the BCA within its jurisdiction and adopts the BCA in respective legislation as the document containing the technical design and construction requirements for buildings. While States and Territories may include minor variations to the BCA in their legislation and different criteria, or ‘triggers’ for how they apply it to existing buildings, essentially the BCA applies to the following:

- all new buildings;

- new building work in existing buildings, such as additions and alterations; and
- existing buildings that are to be used for a purpose different from that for which they were originally designed. This is often referred to as “change of use”.

The manner of application and administrative arrangements may differ between each of the States and Territories.

WHAT THE ABCB CAN CONTRIBUTE TO THE INQUIRY

The Board’s regulatory reform work fits into a broader context of government economic and regulatory reform. Building control in Australia has undergone major regulatory reform over the past two decades as part of a wide-ranging review of micro-economic reform, including competition policy and the role of government in the market-place.

Ministers of all Governments signed an Inter-Government Agreement on 1 March 1994 to develop a nationally consistent regulatory framework for the building industry. The Agreement was re-affirmed by a Variation of Agreement on 27 July 2001. See **Attachment B**.

The Agreement seeks a national consistent regulatory framework that aims, in particular, to:

- make building regulation as uniform as possible between the States
- limit additions or variations of the BCA’s technical provisions by the States as far as is possible;
- develop more efficient and simplified building regulatory systems;
- encourage and enhance national acceptance and adoption of improved technology; and
- create an efficient regulatory environment to facilitate an internationally competitive building industry.

REGULATORY REFORM OPERATING NATIONALLY

Key regulatory reform outcomes of the Board that have contributed to a better building regulatory system over the period 1994-2003 are:

- National performance-based building BCA operating since 1996;
- Contestable building certification services for building approvals in most States;
- Elimination of a large number of State technical variations;
- Introduction of a COAG consistent, national and rigorous social, economic and environmental evaluation approach to regulatory change proposals;
- National product certification;
- National competency benchmarks for building certifiers;
- Flexibility to accommodate new building products and materials through encouraging innovation with building supply companies; and
- Introduction of Australia’s first national energy BCA for houses into the BCA.

These initiatives continue to have significant benefits for industry and the community through cost savings in design and construction, more efficient services for the community and on-going and cost-effective life-safety for people protection in buildings.

The development of BCA housing energy measures is the most recent example of the on-going savings for home owners that can arise through the incorporation of innovative measures into the BCA.

Following agreement to proceed by all nine Australian, State and Territory Ministers, an extensive policy and technical development process with all stakeholders was undertaken by the ABCB on the nature and extent of minimum mandatory housing energy measures. In August 2002, the ABCB Board approved a set of nationally consistent and validated energy measures for houses. These measures were introduced into the BCA on 1 January 2003, and now adopted in a number of States.

These new, cost effective provisions are intended to improve the energy efficiency of new houses, while avoiding excessive technical and commercial risks and unreasonable initial costs. The Regulatory Impact Statement (RIS) on the measures indicated that the provisions will, when fully operational nationally, result in potential total net savings, after capital costs, of around \$500 million (present value) for dwellings constructed during the period 2003-2010. The provisions aim to play an important role in reducing greenhouse gas emissions from residential buildings. The RIS shows an expected cumulative greenhouse reduction of CO₂ equivalent of 1.51 million tonnes for the period 2003-2010.

The introduction of housing energy measures did prove to be a complex challenge because of State and local government commitments to different 'green' priorities, through the lack of a universally acceptable house energy rating system and through some opposition from industry. All of these issues have been or are being addressed, while at the same time political pressure to increase minimum standards continues. Consequently, the ABCB will be reviewing the existing measures to ensure they remain consistent with changing community expectations as expressed through State and Territory governments.

HARMONISATION OF BUILDING CODE ADMINISTRATION

Industry and government stakeholders have also been seeking greater consistency in building control administration for many years and the Board considers that there is a strong case for continuing effort towards greater consistency in building regulation to build on the gains made.

A study was commissioned by the ABCB recently on the economic costs and benefits to be gained from a more consistent approach to the administration of building control. The Allen Consulting Group estimated that further reform of building administration in Australia could realise additional annual savings for the Australian economy of more than \$400 million.

Moreover, Australia has a single design and construction market valued at over \$40 billion per annum. This has wider significance given that it accounts for 5% of GDP and provides 7% of all jobs in Australia. The national character of the market is manifest in many ways:

- building product suppliers typically compete with each other and with imported products across Australia;
- the technical infrastructure on which design and construction depends is primarily national in nature: eg Australian standards, product testing;
- the BCA is also a national expression of community expectations and joint government policy for minimum national standards;
- the design and engineering professions and building contractors have for many years recognised the industry's national nature. Their professional and industry bodies are well attuned to deal with issues nationally;
- many issues the industry focuses on are national government driven: eg macro-economic, welfare housing and tax policies; and
- firms that operate across State borders account for more than half of the building work in Australia. The bulk of building activity (over 60%) is undertaken in NSW and Victoria.

The Board concluded that the absence of greater harmonisation of building BCABCA administration is a significant gap that impacts adversely on home buyers, the community generally and an industry that aspires to greater international competitiveness.

Past action on reform

Major reform initiatives drawn from the last 30 or so years are included in **Attachment C**.

On-going ABCB reform work on harmonisation of administration

Following the year 2000 Review of the ABCB, a Steering Committee was established under the chairmanship of a member of the ABCB Board to progress this agenda. The Steering Committee includes government representation from NSW, Victoria, Tasmania and WA and the Executive Director of the ABCB. A representative from the Australian Construction Industry Forum also represents the building industry.

Three-strand Strategy

A three-strand strategy to develop a more consistent regulatory framework for the built environment has therefore been developed by the ABCB.

- (i) ***Develop Legislative Principles to meet the needs of consumers and the building industry***

A review is to be undertaken of the Model Building Legislation completed in early 1991, as well as legislation of the States and Territories introduced since then and proposals will be developed seeking improvements and new initiatives.

(ii) *Create Greater Consistency in Key Principles*

Key short term gains are being achieved by focussing resources on the small number of issues identified by the Allen Consulting Group's final report such as building approval processes, occupancy approval processes, essential services, appeals and dispute resolution.

(iii) *Recognise work in progress*

Current work being progressed for the ABCB is being publicised and acknowledged as playing an important role in contributing to a more consistent national approach and advancing administrative reform. This work has included a National Accreditation Framework for Building Surveyors/Certifiers, the out-sourcing of the national product certification scheme, the development of a national plumbing BCABCA of Australia, a Protocol for Administering Building Access in the context of the disability standards for access to premises and the proposed introduction of maintenance provisions into the BCA.

CONCLUSION

Key achievements of the ABCB to date have included the establishment of nationally uniform technical requirements that benefit the industry and community in various ways, including:

- Building product manufacturers can supply their products to all parts of Australia at lower prices per unit due to economy of scale;
- Building certifiers and other building practitioners can work more readily across state borders as they know the technical requirements will be similar;
- Performance-based solutions can be tailor-made to a project thus meeting regulatory requirements at lower cost.

Nevertheless, the ABCB believes that further work needs to be done to achieve greater consistency in the administration of the BCA and to realise greater benefits for the community and so contribute to more affordable construction.

ATTACHMENT A

AUSTRALIAN BUILDING CODES BOARD (ABCB AND THE BUILDING BCA OF AUSTRALIA (BCA))

The ABCB is a key body in the technical and regulatory infrastructure that supports the industry's activities. The ABCB provides the community with cost effective and efficient regulations for people's health, safety and amenity in the design, construction and use of buildings throughout Australia. It is also an important player in reforming and harmonising building regulations which can be powerful mechanisms for changing industry culture.

The ABCB brings together the three levels of government and industry to develop the regulatory environment affecting the health, safety and amenity of people in their use of buildings in Australia. The Board was established in 1994 by an inter-government agreement signed by the nine Ministers responsible for building regulatory matters in each jurisdiction.

The ABCB's first role is to maintain and develop the BCA. Secondly, it is a catalyst for regulatory reform. It plays these roles by being an interface between regulators, practitioners and other sectoral interests. It seeks to balance the competing views of various stakeholders involved in the building industry, including the community and to codify building related requirements in a practical, pragmatic and cost effective manner so that there is a well accepted performance based BCA.

Board members include four industry representatives, a representative of the Australian Government, State and Territory Governments' executives responsible for building regulatory issues and a Local Government representative. The ABCB reports directly to the Australian Government as well as to State and Territory Ministers and provides a vital link between building practice and Government building regulatory policy

The BCA is developed and maintained by the ABCB to provide a uniform set of technical provisions for the design, construction and use of buildings and other structures covered under building law throughout Australia. Each State and Territory Government references the BCA in its building control legislation.

The ABCB's objectives in establishing and developing the BCA emphasise Australia-wide consistency and cost-effectiveness. The ABCB aims to ensure that building regulation technical requirements are based on minimum, least-cost solutions commensurate with the regulatory objectives of maintenance of health, safety and amenity standards and more recently, sustainability.

The BCA is referred to as a 'performance-based' BCA, describing the Performance Requirements that buildings and other structures throughout Australia must meet. Cost savings to developers and the community are generated by:

- the use of alternative or innovative materials and forms of construction or design;
- allowing designs to be tailored to particular buildings;
- being clear and providing guidance on what the BCA is trying to achieve; and
- allowing designers flexibility.

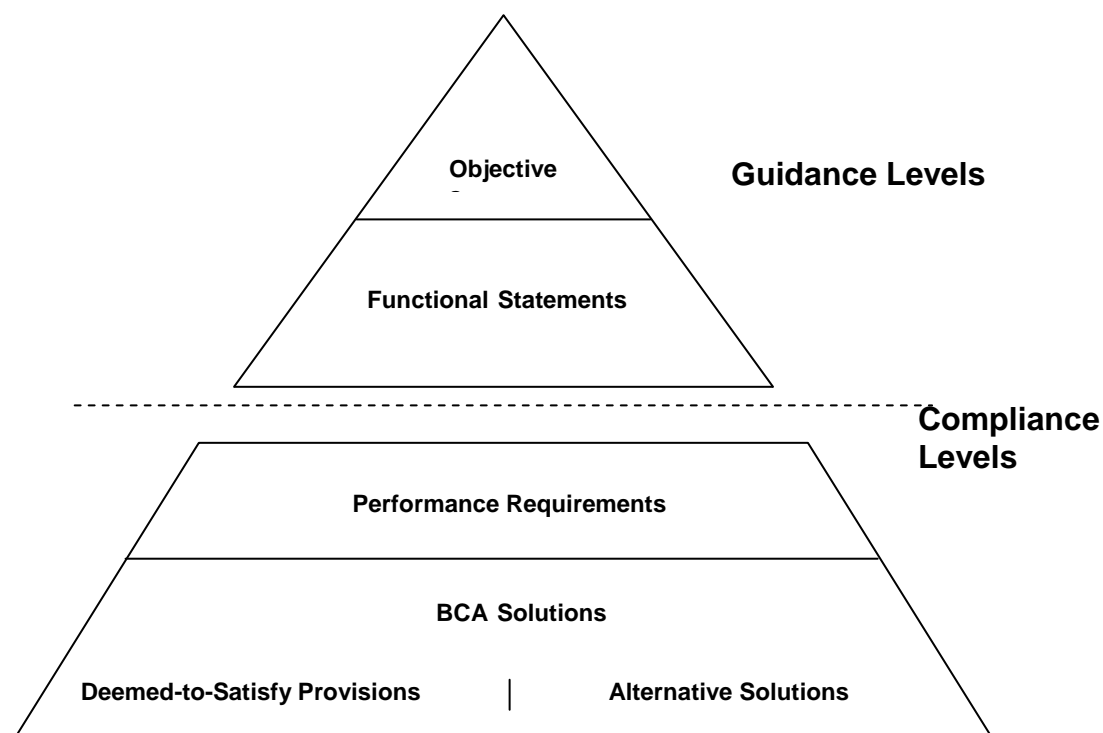
The performance-based BCA has a hierarchy that starts with an Objective, underpinned by Functional Statements, Performance Requirements and Building Solutions (see Figure 1 below). The Performance Requirements are recognised under building law as the level which must be met. The Objectives are the broad societal goals. Functional Statements describe what the building needs to do to meet the Objective.

BCA Performance Requirements must be satisfied by the design and construction of the building. There are two types of Building Solutions which meet the Performance Requirements:

- Using the **Deemed-to-Satisfy Provisions**. The Deemed-to-Satisfy Provisions are detailed technical descriptions of how the building is to be constructed and equipped to meet the Performance Requirements. Most building designers choose to develop a solution following the Deemed-to-Satisfy Provisions. These Provisions often include reference to technical details found in Australian Standards.

- Using an **Alternative Solution**. An Alternative Solution is one that can be demonstrated to meet the Performance Requirements of the BCA by other means. The Alternative Solution path allows for new ways of achieving the required levels of performance. The onus is on the building applicant to show that the Alternative Solution complies with the Performance Requirements.

FIGURE 1



From 2004, the BCA will be amended annually on 1 May to reflect changes in building practices, usage and technology. The BCA change process follows an agreed procedure that is both consultative and as transparent as possible, while respecting confidentiality. It includes preparation of a detailed technical proposal (Regulation Document) and, as required under Council of Australian Government arrangements, a Regulatory Impact Statement for broad community consultation

ATTACHMENT B

**INTER-GOVERNMENT AGREEMENT ON BUILDING REGULATIONS
AND TO ESTABLISH THE ABCB 1 MARCH 1994**

VARIATION OF AGREEMENT 27 JULY 2001

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MAJOR BUILDING CONTROL REFORM INITIATIVES OF THE LAST THIRTY YEARS

The Australian Model Uniform Building Code

In 1965, the Interstate Standing Committee on Uniform Building Regulations was established following agreement among the State administrations responsible for building regulatory matters to pool their resources for the benefit of all States. Its first work was to draft a model technical Code for building regulatory purposes. The document was referred to as the “Australian Model Uniform Building Code” (AMUBC) and was first released in the early 1970s.

That AMUBC contained proposals about both technical and administrative matters, which were based on the then Local Government Act of New South Wales. The intention was that States could use it as a model for their own building regulations. However, variation from the model was considerable and many States followed their own administrative requirements, some States still leaving the matter to their municipal councils, and all States changing the provisions in accordance with their perceptions of local needs.

Following publication of the AMUBC it was clear that further concerted work was needed to move towards a more nationally acceptable and consistent set of technical building requirements. It was clear that the difficulty in obtaining agreement on administrative provisions was distracting the States from agreeing on the technical provisions. Consequently, it was agreed to concentrate solely on the technical building requirements and that work eventually led to the production of the Code.

Model Building Legislation 1991

In 1990, the Australian Uniform Building Regulations Coordinating Council- the predecessor of the ABCB- commissioned a project to develop model building legislation for consideration by the States and Territories. Model Building Legislation was released in 1991.

The Model Building Legislation project sought to promote both national consistency in building regulatory matters, and microeconomic reform in the building and construction industry. Some of the options presented were based on current practices in States and Territories whilst others were considered innovations, particularly in the areas of private certification and liability limitation.

The key elements of the reforms of building regulation were:

- Limitations on liability for building practitioners – the liability period for property damage resulting from defects in the design, construction, approval or inspection of buildings was capped at 10 years. In addition to the 10-year cap, ‘joint and several’ liability was replaced with proportionate liability according to the responsibility of defendants for the defect.
- Competition for building approvals and inspections – building approvals and inspections could be obtained from private sector building certifiers. This replaced the traditional monopoly of local government building officials in this area, and has led to competition among private building certifiers and municipal building certifiers.
- Compulsory registration of building practitioners – persons who undertake the design, construction or demolition of buildings (including building certifiers and inspectors) were required to register annually with a Building Practitioners Board and receive a license which allowed them to undertake work anywhere in the respective jurisdiction. There were a number of categories of building practitioners: building certifiers, inspectors, engineers, designers, commercial builders and residential builders (among others) – with varying qualifications and experience required for registration in each category.
- Compulsory insurance for building practitioners – building practitioners were required to carry insurance to cover defects and non-completion for all building work (new or

renovations). The type of insurance required depended on the specific profession of the practitioner. Home builders were generally required to have job-specific insurance cover.

The reforms were intended to improve the efficiency of the building industry and yield benefits to the industry, the consumers of construction, and the overall economy.

While many of the principles of the Model Building Legislation were adopted by a number of the States and Territories, nationally consistent building control legislation has not been achieved. Significant differences remain even between those States and Territories that have chosen to most closely follow the Model Building Legislation.

The Building Acts of the NT, Victoria, and more recently Tasmania were subsequently revised to follow the principles of the Model Legislation. WA has recently commenced redrafting its building legislation also based on the model legislation. NSW, SA and Qld, who all have consolidated planning/building legislation, incorporate some features of the Model Legislation.

1994 Establishment of ABCB

Since its establishment in 1994, the ABCB has undertaken significant work in achieving nationally consistent technical requirements through further development of the BCA. The ABCB has, however, now focussed more attention on the differences between administrative provisions of State and Territory building control systems.

2000 Review of ABCB

In February 2000, a report on the review of the ABCB was released. The review methodology used was to seek submissions and undertake interviews with key ABCB stakeholders to address future directions for building regulation reform and provide advice on the operations of the ABCB and the administration of the 1994 Inter Government Agreement.

Many submissions to the review panel considered that a more uniform regulatory system would deliver significant benefits to, and improve building industry efficiency. The current differences between State and Territory regulatory systems were described as causing confusion, with resultant time delays and cost penalties when obtaining approvals. With many sectors of the industry, including regulatory authorities, working across jurisdictional borders, the differences in building regulatory systems have become more noticeable and less tolerable.

The review panel recommended that the ABCB further develop a framework and guidelines specifically addressing nationwide consistent administration of building regulations.

This recommendation was accepted by Ministers responsible for the ABCB, providing the imprimatur for initiating further work on the harmonisation of administration of the BCA in Australia.

AUSTRALIAN BUILDING CODES BOARD

Who we are, What we do

The Australian Building Codes Board is a joint initiative of all levels of government in Australia.

The Board's Mission is to provide for efficiency and cost effectiveness in meeting community expectations for health, safety and amenity in the design, construction and use of buildings through the creation of nationally consistent building codes, standards, regulatory requirements and regulatory systems.

A

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C

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ABCB

Australian
Building
Codes
Board*

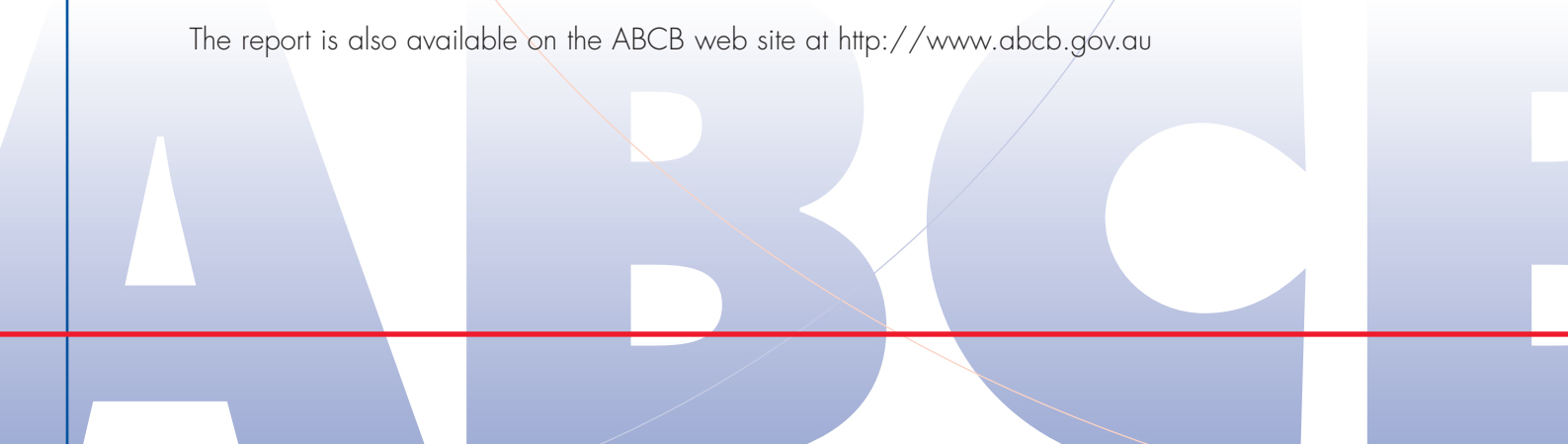
* The ABCB is hosted and part-funded by the Australian Government in the Department of Industry, Tourism and Resources

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The report is also available on the ABCB web site at <http://www.abcb.gov.au>





Chairman's Foreword

Welcome to the Australian Building Codes Board, or the ABCB. I invite you to learn more about us. This booklet answers the questions of who we are and what we do. It outlines how we are looking after the well-being of all Australians living and working in the built environment and explains our efforts to lift the international competitiveness of building and construction.

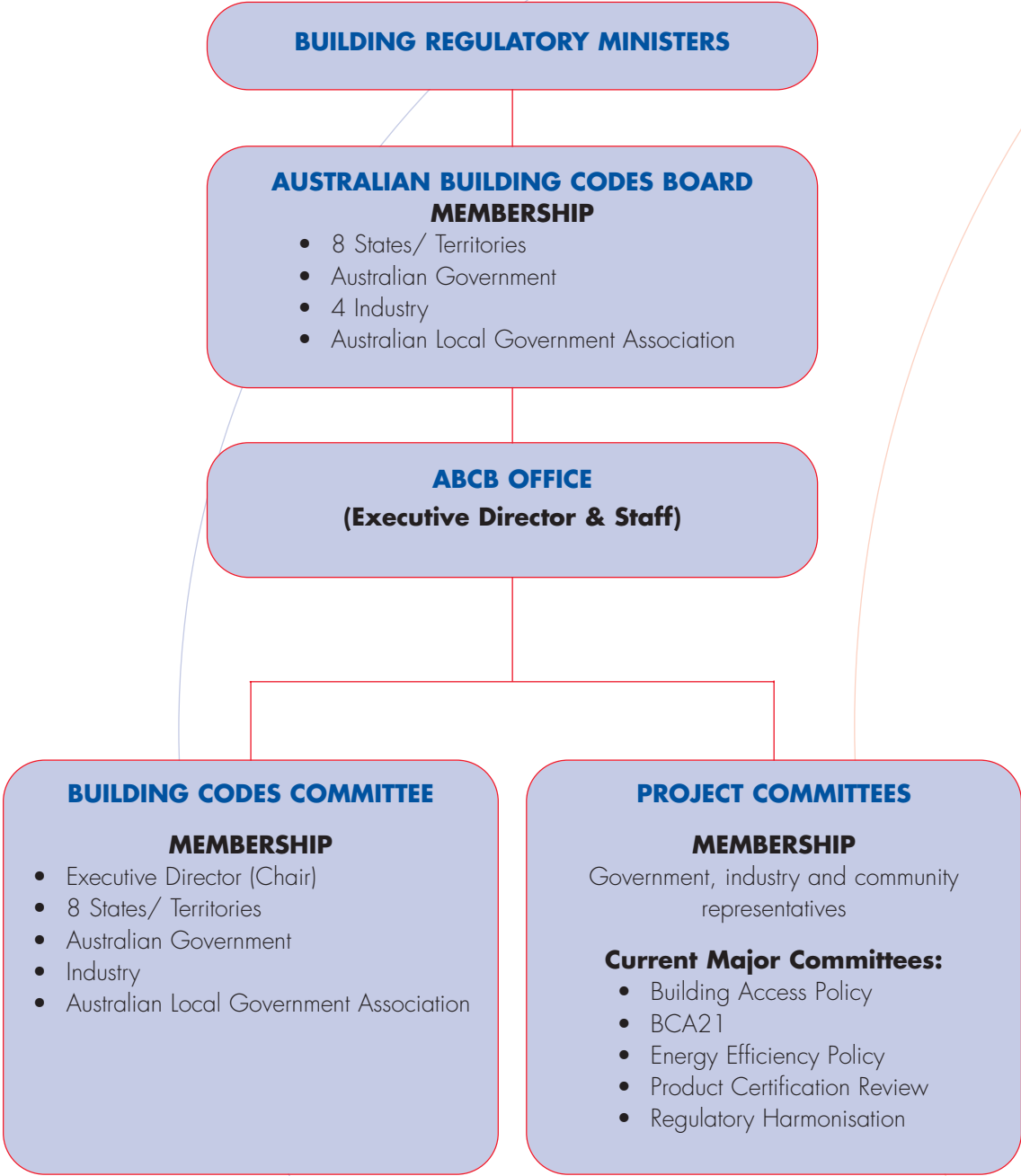
The Building and Construction industry is a very important sector of the Australian economy, because of its size and its impact on the health of other industries and the economy generally. It accounts for some \$40 billion to \$50 billion of construction expenditure annually and Australia's built assets comprise some \$700 billion to \$800 billion of the nation's wealth. Annual expenditure on the ongoing operation and maintenance of buildings is also significant. In 2001-2002, the construction industry directly accounted for 5.4 per cent of gross domestic product and employed 705 000 people, 7.1 per cent of the total labour force, and even more if you include professional services such as architecture, surveying and consulting engineering.

The ABCB is a key body in the technical and regulatory infrastructure that supports the industry's activities. The ABCB provides the community with cost effective and efficient regulations for people's health, safety and amenity in the design, construction and use of buildings throughout Australia. It is also an important player in reforming building regulations which can be powerful mechanisms for changing industry culture.

In brief, the ABCB's first role is to maintain and develop the national Building Code of Australia, known as the BCA. Secondly, it is a catalyst for regulatory reform. It plays these roles by being an interface between regulators, practitioners and other sectoral interests. It seeks to balance the competing views of various stakeholders involved in the building industry, including the community, and to codify building related requirements in a practical, pragmatic and cost effective manner so that there is now a well accepted performance based BCA.

Peter J Laver
Chairman

ABCB ORGANISATION CONSULTATIVE STRUCTURE



Who we are

The Australian Building Codes Board (ABCB) is a joint initiative of all levels of Australian Government, in co-operation with the building industry. The Board was established by an inter-government agreement signed by the Australian Government and State and Territory Ministers responsible for building regulatory matters on 1 March 1994 and re-affirmed by Ministers in July 2001.

The ABCB is responsible for:

- Developing and managing a nationally uniform approach to technical building requirements, embodied in the Building Code of Australia (BCA);
- Developing a simpler and more efficient building regulatory system; and
- Enabling the building industry to adopt new and innovative construction technology and practices.

Board members are appointed by Ministers. The Board is responsible for the strategic oversight and direction of the regulatory reform program, policy development and direction, priorities and budget and financial control.

The Board consists of four industry representatives, a representative of the Australian Government, all State and Territory Governments' senior executives responsible for building regulatory matters, and a Local Government representative. The ABCB reports directly to the Australian Government, State and Territory Ministers responsible for building regulatory matters, and provides a vital link for the building industry between building practice and Government building regulatory policy.

What we do

- Assist and advise governments on building regulatory matters, including the development and provision of policy advice;
- Maintain and enhance the performance based Building Code of Australia and technical building standards;
- Coordinate and prioritise building regulatory reform projects so as to achieve the greatest potential benefit to the community;
- Ensure that information, advice and interpretation on building regulatory matters are developed in consultation with industry and the wider community; and
- Focus on achieving the consolidation of building regulatory requirements, economic evaluation of building reform, and cost effective fire safety.

Our Mission

The ABCB's mission is to provide for efficiency and cost effectiveness in meeting community expectations of safety, health and amenity in the design, construction and use of buildings through nationally consistent, efficient and cost effective technical building requirements and regulatory systems.

Our Objectives

- Establish codes, standards and regulatory systems that are, as far as practicable:
 - consistent between States and Territories;
 - cost-effective;
 - performance based; and
 - incorporate modern and efficient building practices.
- Ensure building requirements are based on minimum, least-cost solutions commensurate with regulatory objectives of safety, health and amenity;
- Examine and promote opportunities for deregulation;
- Undertake research to ensure that solutions are soundly based with particular emphasis on innovation and lowering costs;
- Consult and liaise with industry to achieve transparency in the reform process;
- Simplify the wording of building requirements to achieve user friendliness and plain language style;
- Coordinate and integrate reform activities with those of other agencies to ensure consistency of approach and to encourage consolidation into the BCA of all mandatory requirements affecting buildings;
- Create an efficient regulatory environment to encourage an internationally competitive building and construction industry; and
- Undertake education and marketing activities to promote the work of the Board, to increase awareness of building regulatory reform and to increase use of Board publications and products.

Major achievements since 1994

Key regulatory reform outcomes over the period 1994-2003 were:

- National performance-based Building Code operating since 1997;
- Contestable certification services for building approvals in most States;
- Introduction of a national and rigorous economic evaluation approach to regulatory change;
- National product certification;
- National accreditation framework and competency benchmarks for building certifiers; and
- Introduced Australia's first national energy code for houses into the BCA.

These initiatives continue to have significant benefits for industry and the community through cost savings in design and construction, more efficient services for the community and on-going life-safety for people in buildings.

The operating environment faced by the ABCB

Outcomes of 2000 Review

An Independent Review of the ABCB in 2000 found that the ABCB performs a valuable role in developing a nationally consistent performance based code. A key driver in its national approach is the willingness of all levels of government and industry to work together to achieve common positive outcomes for the entire building industry as well as for the safety and amenity expectations of the community. The Review also found that the ABCB can effectively resolve matters relating to strategy, policy and detail on a national level, and is an excellent example of the benefits of Australian Government and State co-operation.

The future

Longer-term shifts in demographics, living standards and broad consumer demand patterns are under way in Australia. We need to get the building regulatory environment right to ensure that we do not impede Australia's capacity to adjust to the changing environment.

The way we use the built environment is changing. The population is becoming older, more reliant on information technology and within our highly urbanised society we are seeing significant demands for inner-city living.

These changes are being reflected in societal expectations of our built environment. Concerns for energy efficiency and sustainable development, accessibility, the provision of community services and a substantial change in housing needs within our cities are examples of emerging issues already affecting Australian society.

The ABCB is aware of the emerging issues. To play our part, we must ensure that we continue to adopt robust and transparent policy and technical development processes.

The Board's Strategic Goals for 2005

The Board's Strategic Plan aims for the following key outcomes for Australia's regulatory framework for the building and construction industry by 2005:

- One Code widely adopted by industry;
- A consistent regulatory framework to underpin the Code;
- More energy efficient and accessible buildings; and
- Positive cost benefits for industry and the community.

The Board aims to take a leadership role in these areas and be recognised for this nationally and internationally. It has identified a number of strategic pathways to move forward on the regulatory reform agenda to achieve its 2005 outcomes. These are:

- Consistency in applying regulatory principles;
- Being proactive on key issues;
- Taking a lead international and domestic role;
- Enhancing and promoting the ABCB identity;
- Drawing on a web-based interactive Building Code;
- Targeting research; and
- Developing an education and training program.

How will the Board know it has been successful?

The Board will know it has been successful when it has delivered on the objectives set for it by the nine Governments in the Inter-Government Agreement on building regulation reform, met its 2005 goals and, into the future, it:

- is a national leader in progressing an industry-wide education agenda designed to lift the capability of practitioners to work in a performance environment;
- has eliminated all technical differences in the regulation of all on-site health, safety and amenity matters;
- has led the reform of regulatory systems that support the Building Code; and
- is recognised as delivering on-going rigorous regulatory review processes and outcomes in the public interest.

2003-04 Work Program

The Board's major policy priorities for the coming year focus on three broad strategies concerning regulatory harmonisation, building sustainability and efforts to advance the Board's One Code target for 2005. Specifically, some of the key outputs aimed for during the year are to:

- Contribute to a Productivity Commission review of ABCB effectiveness and post-2005 issues;
- Publish and consult widely on amendments to the Building Code to be part of an Australian Government Disability Standard on Access to Premises;
- Finalise a draft first phase of minimum energy efficiency measures for commercial buildings;
- Seek greater harmonisation of the national administrative framework to support the Code;
- Continue to deliver its core Code writing responsibilities to ensure that the Code remains responsive to technological change and changing community and industry needs;
- Better promote, through education and marketing, the benefits of the Code to encourage widespread diffusion of innovation and industry competitiveness;
- Re-design the ABCB's product certification scheme so private sector bodies are accredited to carry out this function; and
- Make an on-going commitment to the international dimensions of the Board's work and the returns this can deliver for Australia.

What is the Building Code of Australia?

The BCA contains technical provisions for the design and construction of buildings and other structures, covering such matters as structure, fire resistance, energy efficiency, access and egress, services and equipment, and certain aspects of health and amenity.

The BCA Goals

The goals of the BCA are to enable the achievement and maintenance of acceptable standards of structural sufficiency, safety (including safety from fire), health and amenity for the benefit of the community now and in the future.

These goals are applied so that the BCA extends no further than is necessary in the public interest, is cost effective, easily understood, and is not needlessly onerous in its application.

HOW THE ABCB OPERATES

The Board's work is supported by an Office, a peak national technical body, input from government and industry stakeholders as well as advice and assistance from building professionals, industry peak bodies and the community on a wide range of strategic, policy, technical, administrative and societal issues.

ABCB Office

The ABCB Office is a multi-disciplinary organisation of professional, technical and administrative staff. Its major function is to support the Board's work program. The Executive Director and staff are responsible for:

- Financial management;
- Technical support services;
- Administrative and operational support;
- Management of research projects;
- Consultation and liaison;
- Information dissemination;
- Advice on policy development;
- Management and coordination of Committee activities; and
- Other matters as determined by the Board.

The ABCB Office is hosted by the Australian Government in the Department of Industry, Tourism and Resources in Canberra.

Building Codes Committee

The BCC is the Board's peak technical advisory body. It consists of:

- ABCB Executive Director (Chair);
- 8 States/ Territories;
- Australian Government;
- 3 Industry representatives;
- Australian Local Government Association; and
- Observers from the technical infrastructure and research communities.

MAIN PROJECT COMMITTEES

The Board has established project committees as a practical way to manage its broad-ranging workload. These committees are task oriented to provide high level advice on particular issues. The Committees all have Government, industry and community representatives involved in their work. Major bodies are:

- Building Access Policy Committee;
- Energy Efficiency Policy Steering Committee;
- Regulatory Harmonisation Committee;
- BCA21 Committee; and
- Product Certification Review Working Group.

Building Access Policy Committee

This Board Committee is charged with developing recommendations for changes to the BCA which, if followed, would allow the BCA to be adopted as part of a draft standard for access to premises. The Committee's objective is to help industry, regulators, building owners and service providers achieve equitable, cost effective access to buildings, and to the facilities and services available in buildings for people with disabilities. It involves aligning the BCA with the requirements of the Australian Government's Disability Discrimination Act.

The Committee is pursuing its work in consultation with industry, the community, Australian Government, State and Territory governments, local government and other key stakeholders.

Energy Efficiency Steering Committee

This Board Committee seeks to assist the ABCB develop cost effective energy efficiency measures suitable for introduction into the BCA and in so doing, reduce greenhouse gas emissions.

The role of the Energy Efficiency Steering Committee is to:

- Provide policy advice to the ABCB, Australian Greenhouse Office and the Australian Government Department of Industry, Tourism and Resources as well as policy guidance to Technical Committees supporting its work;
- Coordinate and expedite development of proposals for inclusion in the BCA;
- Facilitate the communication, understanding, acceptance and adoption of energy efficiency proposals;
- Assist the ABCB and stakeholders to facilitate the appropriate training of practitioners; and
- Monitor expenditure and progress of the project.

Regulatory Harmonisation

The Board also set up a Committee to seek greater harmonisation, Australia-wide, in the administration of the BCA. The Committee consists of:

- Industry Representative (Chair);
- ABCB Executive Director;
- 4 State Government Representatives; and
- Another Industry Representative.

The main work of the Committee involves:

- Formulation of legislative principles to better meet the needs of consumers and the building industry;
- Seeking greater consistency in key administrative practices; and
- Further publicising regulatory harmonisation work in progress within the ABCB Office.

Further harmonisation of Building Code administration has been estimated to realise additional savings for the Australian economy of more than \$400 million annually.

BCA21 Committee

The BCA21 Committee is developing the next generation Building Code that will ensure inclusion of contemporary and emerging industry and regulatory needs while achieving the broadest possible application within industry.

This project is divided into 3 phases:

- policy development including scope and structure;
- technical development using framework and protocol methodology; and
- education and implementation.

The role of the BCA 21 Committee is to:

- provide advice to the Board on technical issues to ensure that community and industry expectations and needs are achieved by the redevelopment of the BCA;
- provide review of the existing BCA and identify other issues that should be included in the next generation BCA;
- identify and recommend the best available option(s) for the scope, structure and format of a redeveloped BCA; and
- develop through technical working groups the technical content of the next generation BCA using a consistent framework and methodology.

The committee will be making recommendations to the Board on the most appropriate regulatory scope for a future building code, including through direct interaction with the industry, professional associations and government on the development of the code and ensuring that the code has an appropriate national and international research based foundation.

Product Certification Review Working Group

This Working Group is developing a new national Product Certification Scheme that is more responsive to the needs of stakeholders.

OTHER PRIORITY WORK

Marketing and Education

The ABCB has been charged with responsibility to:

- undertake education activities to promote its work;
- help increase awareness of building regulatory reform; and
- increase the use of its publications and products.

The ABCB, its government partners and industry stakeholders recognise positive steps must be taken to make the BCA readily accessible to industry participants. It must provide those regulations and the means of understanding the provisions in formats that industry wants without compromising either accuracy or currency. We need to ensure the availability of relevant education and training, either as a core element of building related qualifications or as a supplementary facility through education institutions and industry organisations.

International Initiatives

The ABCB is involved in international developments concerning Code writing to assist in informing better regulatory practice in Australia. These activities also assist in the elimination of barriers to trade, create opportunities for increased exports of Australian building products, technology, know-how and professional services and gain access to construction innovation research. The ABCB plays an active role in keeping abreast of international developments through bilateral relationships with other countries for example in close collaboration with New Zealand, its involvement in international forums and membership of several international committees. Two examples relate to Japan and multilateral consultation.

Japan Evaluation Body

The ABCB with the support of the Australian Government has been recognised by the Japanese Ministry of Land Infrastructure and Transport as the first Evaluation Body outside Japan to assess building products and systems under the Building Standard Law of Japan. This recognition is expected to provide valuable export opportunities for the Australian building industry.

Inter-Jurisdictional Regulatory Collaboration Committee

The IRCC facilitates international discussion on the global transition to performance-based building regulatory systems, and focuses on a better understanding of the impacts such a transition will have on the construction industry, on society and on the regulatory environment. It aims to foster a common understanding of the international regulatory environment and promote the global exchange of information in building design and construction.

How to contact the ABCB

We welcome comment and suggestions for the BCA and on other matters.

Phone and e-mail contact details for ABCB Office staff can be found at the ABCB website or you can fax/mail/phone the Office.

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