

Regulation Taskforce
PO Box 282
BELCONNEN ACT 2616

Dear Sir

Regulation Taskforce – Reducing the Regulatory Burden on Business

I refer to the recent announcement of an examination of ways to reduce the regulatory burden on business. The Building Products Innovation Council (BPIC) would ask that you take note of the following brief comments in preparing your report for consideration by the Government.

BPIC is an industry association representing the building materials sector in issues relating to the regulatory environment. Our organisation was formed in 2003 to bring together the various parts of the industry that were subject to seemingly ever increasing regulation that in many instances was not, in our view, properly considered or investigated. This rush to regulation in the Australian system of Government is not conducive to good business practice or to innovation in design and production.

In particular the members of BPIC have lobbied long and hard to reduce the variations in the building and materials regulations around Australia. There are reform opportunities that would deliver significant and immediate gains to manufacturing and distribution expenses (among other areas) for the Australian economy. Apart from this, there already exists a national platform from which all regional variations necessary to ensure appropriate building performance can be based. The Building Code of Australia (BCA) incorporates significant flexibility in design and performance characteristics based on the various climate zones in Australia and the materials industry perspective is that this provides the platform for a nationally consistent approach to building regulations. All state and territory governments adopt the BCA in whole or part.

Having said this, we note the Taskforce has a charter to reduce regulatory compliance costs where the Commonwealth is seen to be a duplicating factor. In our particular case, it is the states and territories that are causing the regulatory burden, which is a burden in terms of not only having to meet and understand numerous overlapping systems but also in respect of manufacturing and packaging costs. However, the industry believes that the Taskforce has the opportunity to raise the issue of the need for national consistency in building regulation that may assist in heading off any uncoordinated developments in other areas of regulation. For example, at the moment there is a move to examine the inclusion of sustainability as a core principle within the BCA. If this were to evolve in a similar manner to the current energy efficiency provisions, with states and territories each heading their own direction in their own time, it would be a significant lost opportunity for Australia. The Taskforce should consider ways to encourage timely Federal leadership and active yet concurrent state and territory involvement and ownership of the outcomes.

BPIC would also like to suggest to the Taskforce that there could be a general call for more timely and rigorous regulatory impact assessments in the building and environment areas. The trend to the use of planning regulations to achieve building outcomes undermines the essence of regulation, which is to address some form of market failure. Properly considered regulation will have the effect of bypassing any market failure however another way around the need to apply sound reasoning to regulatory development is to use provisions outside the building codes. Often these alternate approaches appear to provide a wider pathway without the action boundaries that the normal, properly considered regulatory approach, including the conduct of a regulatory impact statement (RIS) has. Closely related to this is the need to ensure that an RIS is conducted at a very early stage of any consideration of development or introduction of regulation to ensure that the momentum of the exercise does not overtake the economic, social or other effect. Increasingly there would appear to be the case for more transparency in the development and finalisation of the RIS element of any regulatory consideration. It is also probable that the quality of any RIS exercise would improve with provision for third party input, however while this opportunity would be welcome BPIC recognises the time and resource constraints that may demand special consideration in this respect.

BPIC would be delighted to expand on the above or provide further information as necessary to assist the Taskforce meet the tight deadlines for your report. Please contact me on 0410 451 342 if you have any questions or would like further information or clarification.

Yours sincerely



Tony McDonald
Chief Executive

22 November 2005