

REGULATORY REFORM

Policy Precise

Regulation may be defined as “Any rule endorsed by government where there is an expectation of compliance”. It refers to the broad range of legally enforceable instruments which impose mandatory requirements upon business and the community, as well as to those government voluntary codes and advisory instruments for which there is a reasonable expectation of widespread compliance.

The principles of good regulatory practice and regulatory assessment requirements for building and construction products supported by BPIC are outlined in section three.

While there are many benefits from regulation, there is often also a range of costs associated with regulations. While compliance costs are large, probably the most significant costs arise from behavioural responses to regulations that reduce efficiency or compromise social goals.

These adverse effects are often unanticipated and arise from complex interactions between regulations. The main reasons for regulatory failure are excessive ambition (underestimating the deficiencies of the regulatory ‘solution’), capture of regulatory agencies, and poor regulatory processes and institutions.

The point of imposing regulatory costs is to achieve some form of desirable social outcome.

BPIC seeks, through its Regulatory Reform Policy, to ensure that any proposed policy in the building and construction products sector results in improved competition, lower costs, availability of better products, improved productivity or the creation of new jobs.

There should be a resultant reduction in risk or improvement in safety and have an economic benefit that will be felt in the community. These benefits should be modelled and have been independently reviewed or tested.

Dates	Policy or amendment approved	[25/02/2016]
	Policy or amendment takes effect	[25/02/2016]
	Policy is due for review (up to 2 years)	[25/02/2018]
Approved by	BPIC Board - Meeting February 25, 2016	
Implementation Officer	Executive Officer – on behalf of Board	
Relevant to	All members	
Related documents	BPIC Constitution	
Superseded documents	N/A	
Legislation		

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1. Policy Issue

The Australian construction industry operates in a global marketplace and utilises a vast, increasingly complex and innovative range of construction products produced locally and imported into Australia.

In Australia, the current framework for the assessment of building and construction materials and products in relation to their fitness for purpose is limited to matters covered by the National Construction Code and voluntary standards and proprietary accreditation programs. The NCC has legal effect through its reference in State and Territory Building Acts and Regulations.

The compliance and durability of construction products, in addition to the appropriate procurement and installation, are all major risk factors which need to be managed as they impact significantly on the service life and quality of building and construction projects.

There are examples where regulation, whilst well intentioned, has been overlapping, duplicative and inefficient resulting in significant increases in administrative and compliance costs without effectively achieving the objectives of the regulation.

2. Relationship to BPIC Objects

- a) Advancing building technology through regulatory reform by promoting and establishing a council of national industry associations representative of building products manufacturers and suppliers and without limiting the generality of the forgoing to:
 - position BPIC to be recognised by governments and their regulatory agencies as an authoritative group for the building products sector of the building industry on technical matters;
 - coordinate an industry-wide approach and response to codes and standards;
 - improve the regulatory environment for the accreditation of building products;
 - facilitate the sourcing of practical industry information to regulators from BPIC member organisations; and
 - encourage investment in skills formation, product development and industry research by removing regulatory impediments to innovation.
- b) Enhancing building affordability through regulatory reform:
 - support for a nationally consistent regulatory framework for the building industry;
 - keeping a check on regulatory costs through support of practical, nationally consistent regulatory arrangements;

- provide building cost information to government and regulators that reflect current industry practice and identify impacts of proposed regulatory changes particularly on the industry's supply chain;
 - investigate options for voluntary initiatives that encourage innovation as an alternative to regulation; and
 - reduce both the direct and compliance costs of product certification.
- c) To develop policy and make submissions or representations to governments, industry and the community on agreed technical standards, codes and regulatory issues of mutual concern to Members.
- d) To be an agent for strategic change to improve the technical standards, codes and regulatory environment in which Members do business in Australia and elsewhere.

3. Policy Principles

- Support for COAG principles of Best Practice Regulation.
- Support for fair competition under the Australian Consumer Law Act (ACL), and its obligations for parties in the supply chain to deliver to the customer a finished product that is fit-for-purpose.
- Support for regulation to ensure goods meet minimum standards and are fit for their intended purpose.
- Support for appropriate procurement practices to underpin both compliance and conformity requirements.
- Support for regulation elevating levels of compliance and providing a level of confidence to all parties in the supply chain.
- Opposition to unnecessary or inefficient regulation that slows competitive responses (Red Tape) and duplicative and inefficient environmental regulation (Green Tape).
- Support for minimum regulation through the National Construction Code (NCC) and the Building Code of Australia (BCA).
- Support for equity in the product conformity of building and construction products on the market – produced both domestically and internationally.
- Requests for a seat at all federal, state and territory and local regulatory tables where regulatory reform for the building and construction sector is being discussed.
- Publication of collaborative industry key messages.

BPIC notes that it is extremely difficult to ascertain whether all products comply with the National Construction Code (NCC) and/or conform to the requirements of the relevant Australian or international standards, where they exist.

None of these principles work in the absence of well resourced, effective enforcement. BPIC supports regulations that are:

- applied efficiently and consistently,
- which do not change frequently,

- are implemented with appropriate consultation with industry,
- not in contradiction to or duplicate other regulations.

4. Policy Statement(s)

4.1 Improving Regulatory Efficiency

- Open and transparent processes with meaningful consultation prior to the announcement of new policy positions or agreement to a program by an intergovernmental committee.
- Consultation supported by Cost Benefit Analyses (CBA) and Regulatory Impact Statements (RIS).
- Removal of regulations that unnecessarily add to the cost of business through duplication, inadequate application or unintended consequences.
- Modify or improve regulations that restrict the flexibility or speed of business operations.
- Amend slow approval processes, under resourced enforcement and poor application of requirements.

Committee(s):

BPIC Policy & Communications Sub-committee

Members: Tracey Gramlick (Chair), Ken Slattery, Elizabeth McIntyre

5. Relationship to BPIC Strategic Plan:

Vision: To be recognised as a body that is advancing the strategic issues and opportunities affecting the building & products industry.

6. Version Control and Change History

Date	Version	Approved by and resolution no.	Amendment
24/02/15	2		Final draft for BPIC board approval
22/02/16	3		Amended board approval draft for approval
25/02/16	4		Final draft APPROVED by Board

7. References

- a. [https://cuttingredtape.gov.au/sites/default/files/documents/australian_government_guide_regulation .pdf](https://cuttingredtape.gov.au/sites/default/files/documents/australian_government_guide_regulation.pdf)
- b. BPIC Articles