



**BUILDING  
PRODUCTS  
INNOVATION  
COUNCIL**

# **Industry Position Paper - NT Deemed to Comply Manual Consultation**

Prepared by:

**Building Products Innovation Council**

Rodger Hills - Executive Officer

PO BOX 417

RANDWICK NSW 2031

Phone – 0438 740 240

Email – [eo@bpic.asn.au](mailto:eo@bpic.asn.au)

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# Submission

In 2015 an internal Northern Territory Government high level review identified that efficiencies could be created through the phasing out of the NT Deemed to Comply Manual (NT-DTCM) over three years. The proposition to discontinue the NT DTCM came about as a result of a review of the occupational regulation Boards and a decision to amalgamate them, including the Building Advisory Committee that accredits products for inclusion in the NT-DTCM. The broad objective of amalgamating the Boards is to reduce the costs to Government of administering them and create other administrative efficiencies.

While the Building Products Innovation Council (BPIC) and building products industry has no issue with the NT Government seeking to streamline its internal building control structures, it is concerned about the intention to phase out the NT-DTCM, especially since the review has not been made public and the industry has no way of knowing exactly what it found in relation to the NT-DTCM, what assumptions were made in arriving at its recommendations, and what consequences or ramifications were considered.

In the absence of this critical context the industry wishes to respond to some of the points brought up in a presentation given in August 2015 to the sector Boards and Committees:

## **Only NT and VIC have a product or system accreditation scheme**

This point seems to imply that a product or system accreditation scheme is a bad thing and that the NT is out of step with the rest of Australia for having one. On the contrary, the industry believes that the NT should be commended for the NT-DTCM and its potential to ensure a robust product compliance regime. This is especially relevant at a time when the rest of Australia is trying to respond to the chronic problem of non-conforming and non-complying products. Indeed, both the recent Senate Inquiry in to Non-Conforming Building Products and the Building Ministers' Forum Senior Officers' Group Report: *Strategies to Address Risks Related to Non-Conforming Building Products*, have highlighted the significant and dangerous situation that has been allowed to develop in Australia. This is a situation that has not occurred in the NT largely because of the NT-DTCM. It is almost certain that the problems of non-conforming products entering the supply chain will worsen without the continued existence of checking mechanisms such as the NT-DTCM.

## **CodeMark is an existing national voluntary accreditation scheme.**

One of the success factors of the NT-DTCM and its use by other Jurisdictions with cyclonic regions is its ease of use and considerable time-saving effect for the certifying engineer, building certifier and building inspector as the deemed to comply 'product' to be specified is essentially prequalified for use.

While CodeMark is a valuable product certification tool it only has 141 products registered (to date), the majority of which are not cyclone-rated and there is no way, without opening the record of each product, to determine those that are cyclone tested and conforming. Therefore, as a means for engineers, building inspectors and surveyors to easily and efficiently check product conformity in cyclonic areas, it is of limited value. Also there are other mechanisms to ensure that high risk building products are compliant, and which have better verification rigour than CodeMark, as will be explained in the following point.

## **Manufacturers already have voluntary technical design documents in place**

While some manufacturers and industry associations have voluntary technical design documents available, there is considerable variation in the verification rigour employed by each one. Therefore the type of technical or accreditation scheme that is used in the NT needs to be carefully considered.

As an example, the Australian Certification Authority for Reinforcing and Structural Steels (ACRS) has been issuing third party certificates of compliance for structural steel and steel reinforcement for over ten years. While there are other schemes for verifying that steel materials meet Australian and New Zealand Standards apart from ACRS, these others focus on assessment of capability as opposed to ongoing testing of production output, and are therefore less effective because rigour in verification of compliance is not assured.

In some cases the products listed and supplied under a brand name in the NT-DTCM differ substantially from the long-ago, originally tested product due to raw product changes, manufacturing tolerance creep, wear and tear of production machinery, loss of original product specifications or manufacturing process alterations. Whether these current products perform to the same level as the originally tested products is unknown, which highlights the need for ongoing product verification.

One way that the NT-DTCM could be easily improved is if it recognised third party certification schemes that comply with ISO/IEC 17065:2013 and that include ongoing verification of production (as opposed to a once-off check of performance) for cyclone-rated building products.

This would reduce administration for the NT and also provide a simpler compliance verification route. In addition to steel products, such ISO/IEC 17065:2013 mechanisms are also in place for windows and engineered wood products so there is already a useful and well-populated cache of data available to the market.

## **Requires a policy in relation to new and existing applications**

Much of the criticism levelled at the NT-DTCM over the last 40 or so years has been the apparent lack of ease with which new products and new building systems have been able to be listed. In this regard the industry recommends a comprehensive review of the NT-DTCM policies to ensure that, apart from the obvious rigorous cyclone-proof testing required, it is not creating a barrier (or being used to create a barrier) for innovative new products to be listed, for obsolete or discontinued products to be dropped, or for current products to demonstrate ongoing compliance.

## **Further observations**

BPIC believes that there will be immediate and negative outcomes resulting from a phasing out of the NT-DTCM:

- It will undermine the existing local building manufacturing industry that helps drive the NT economy (by flooding the NT with imported building products from interstate and overseas) at a time when revenue from other industry sectors (such as resources) is weak.
- It will open the door to a range of problems associated with ensuring that building products meet the requirements of the Building Code and the unique requirements for cyclonic regions.

The use of the NT-DTCM provides a unique benefit to the Territory and adjoining Queensland and West Australian builders to easily identify that the products they select are fit for purpose. Removing this guidance and relying on the private sector to accurately verify a product is fit for purpose will lead to uncertainty and has the potential to lead to poor building outcomes.

Recent high-rise building fires, electrical cable product recalls, the discovery of illegal importation of asbestos products in major Brisbane and Perth projects and ever increasing numbers of consumer building complaints are testimony to the failure of building product compliance regimes elsewhere in Australia. Any potential phasing out of the NT-DTCM is likely to see these sorts of compliance failures becoming the norm in the NT too.

The fact that two other Jurisdictions have adopted the NT-DTCM is significant. They would not have done so unless there was a clear benefit to their building industries. Perhaps the time has come for the Northern Territory to propose that Queensland and Western Australia contribute to the ongoing upkeep of the NT-DTCM including the cost of hosting the advisory body that manages it.

Anecdotal evidence appears to indicate that even though products are being specified correctly via use of the NT-DTCM, the NT may be suffering from similar levels of product substitution and building non-compliance as other Jurisdictions around the country. Therefore BPIC recommends that the Building Control Authority undertakes an investigation of building inspection and certification activities to determine why the NT-DTCM is not having the beneficial effect on compliance it should be having. In this regard, lack of proper building compliance may not be the fault of the NT-DTCM but instead a case of inadequate enforcement.

### Summary

In summary the industry:

- Is strongly against the phasing out of the NT-DTCM and asks the NT Government to reconsider its intentions.
- Believes that regardless of what departmental streamlining the Government undertakes, that maintaining the NT-DTCM provides a robust building product conformance mechanism that can protect the productivity and integrity of the wider building industry.
- Highlights that the flow-on benefits of keeping the NT-DTCM for the NT building industry and the NT economy in general, far out way any perceived cost reductions and 'efficiencies' made within the Government by scrapping it.
- Recommends that the NT-DTCM recognises third party certification schemes that comply with ISO/IEC 17065:2013 and that include ongoing verification of production (as opposed to a once-off check of performance) for cyclone-rated building products.
- Recommends that rather than scrapping the NT-DTCM, it should undergo a comprehensive review, upgrade and modernisation to ensure it is not making it hard (or impossible) for innovative new products to be listed, for obsolete or discontinued products to be dropped, or for current products to demonstrate ongoing compliance.
- Recommends that the Building Control Authority undertakes an investigation of building inspection and certification activities to determine why the NT-DTCM is not having the beneficial effect on compliance it should be having.

## The Role of BPIC

The Building Products Innovation Council (BPIC) is a national peak body representing Australia’s leading building products industries and related services in:

Steel	Gypsum Board	Concrete	Quantity Surveyors
Insulation	Timber Products	Roof Tiles	
Windows & Glass	Clay Bricks	Concrete Masonry	
Cement	Housing Industry	Insulated Panels	

BPIC’s members and associated companies directly employ over 200,000 Australians with more than 470,000 employed indirectly. Their collective industries are worth over \$54B in annual production to the Australian economy. The Council is a not for profit organisation governed by a Board of Directors comprised of representatives from its member organisations.

The Council’s primary objective is to provide coordinated representation of the building products industry to interested parties including Government, the construction industry, and the general public. We also provide a forum for discussion, information sharing and policy formulation among major product categories in the building industry.

BPIC’s mission is to:

- Promote the efficient production and use of building products within a nationally consistent regulatory environment.
- 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.
- Promote the innovative use of building products.

The Council works to fulfill these aims by gathering and supplying practical and current industry information on behalf of BPIC member organisations and other organisations and companies that are not members but follow BPIC through various means. This industry-wide approach to responding to regulatory issues, helps to ensure that Governments are informed of potential problems in the building industry and are provided with appropriate industry-considered responses.

## Contributions

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- Australian Institute of Architects
- Bureau of Steel Manufacturers of Australia