# Model guidance for consistent national construction reforms





MAY 2022

### AT A GLANCE

- The ABCB has issued an Implementation Report and model guidance documents as part of the ongoing effort to address building defects and failures Australia-wide.
- The guidance addresses the recommendations contained in the 2018 *Building Confidence Report* (BCR).
- While significant consumer and industry benefits associated with consistent adoption of the model guidance have been identified, the decision to implement the model guidance ultimately rests with state and territory governments.

As part of the ongoing effort to address building defects and failures Australia-wide, the Australian Building Codes Board (ABCB) has issued an Implementation Report<sup>1</sup> and model guidance documents<sup>2</sup> aimed at addressing most of the recommendations contained in the *Building Confidence Report* (BCR), which was published in 2018. The ABCB says that consistent adoption of the model guidance has the potential to reduce building defects, saving consumers approximately \$1.4 billion annually and offering industry time savings worth approximately \$375 million annually. Ultimately, however, adoption of the model guidelines is a matter for state and territory governments.

#### **BUILDING CONFIDENCE REPORT**

The BCR was commissioned after the Lacrosse tower fire in Melbourne in 2014, with the aim of reviewing compliance with, and enforcement of, the National Construction Code (NCC) across Australia, and to advise on a national best practice approach to regulation of the building sector.

The BCR highlighted significant building regulatory noncompliance in the construction industry and contained 24 recommendations for addressing these non-compliances. Key recommendations included:

- regulation and training of building practitioners
- improving regulatory oversight
- ensuring building surveyor integrity
- improving compliance with inspection and certification requirements, and
- better integrating fire safety into all aspects of design and construction.

## **BCR IMPLEMENTATION REPORT & MODEL GUIDANCE**

The BCR Implementation Report and model guidelines attempt to put the BCR recommendations into practice. Key features of the model guidance include:

- **expanded registration and training** including the proposed establishment of a National Registration Framework to provide consistent standards for registration of building practitioners and registered persons
- **better design, construction and certification process** including a mandatory inspection framework to give guidance on when a building surveyor acting as an approval authority should inspect work under construction and initiate enforcement action
- fire safety including criteria and processes for building designers to consult fire authorities during the design process and for fire authority advice to be considered during the approval process
- **improved building surveyor integrity** including the introduction of a code of conduct for building surveyors to clarify what is expected of building surveyors when acting as an approval authority, and
- **better information sharing** including a data-sharing undertaking between state and territory governments to enhance data collection and sharing to improve regulatory oversight.

Two of the major initiatives of the BCR are not addressed in the model guidelines and are still to be implemented:

- **Building product safety** The next stage of the national reform efforts will be focused on establishing a Building Product Assurance Framework to improve building product compliance through measures including information obligations for manufacturers and suppliers, improved surveillance and expanded enforcement. The ABCB will work with senior building officials to report on the progress shortly.
- **National Construction Code 2022** A new NCC is set to 'go live' in September 2022 and will include amendments and provisions regarding fire safety, as well as a process for developing and verifying performance solutions.

#### IMPACT ON THE CONSTRUCTION INDUSTRY

Ultimately, the decision to implement the model guidance rests with state and territory governments. Each government has committed to considering implementing the model guidance in addition to any progress already made in responding to the BCR's recommendations.

Most state governments have adopted their own measures to improve regulation and compliance alongside the national efforts. For example, a Building Commissioner in New South Wales and an Expert Panel in Victoria have been appointed. We are yet to see how widely the model guidelines are adopted or incorporated into existing initiatives.

For more information, visit our *Developments in the Building and Construction Industry Resource Hub* <u>here</u>.

# Need to know more?

For more information, please contact us.



Nick Lux Partner (Melbourne) T: +61 3 9604 7902 E: nick.lux@wottonkearney.com.au



Christy Mellifont Senior Associate (Melbourne) T: +61 3 9604 7921 E: christy.mellifont@wottonkearney.com.au

DOWNLOAD KEY CONTACTS Construction PI Australia



#### © Wotton + Kearney 2022

This publication is intended to provide commentary and general information. It should not be relied upon as legal advice. Formal legal advice should be sought in particular transactions or on matters of interest arising from this publication. Persons listed may not be admitted in all states and territories.

Wotton + Kearney Pty Ltd ABN 94 632 932 131, is an incorporated legal practice. Registered office at 85 Castlereagh St, Sydney, NSW 2000

#### References

<sup>1</sup><u>https://www.abcb.gov.au/resource/report/bcr-implementation-report-december-2021</u> <sup>2</sup><u>https://www.abcb.gov.au/news/2021/best-practice-model-guidance-responds-building-confidence-report</u>