

Move for uniform building approval system in States

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A draft Model Building Act designed to provide the States and Territories with a simplified building approvals system has been approved by the Standing Committee of Attorneys-General and will be examined at the next Special Premiers Conference in November.

The Act embodies some of the recommendations for uniform planning and approval arising from studies in the 1980s which identified the interwoven structural inefficiencies of the Australian construction industry.

The Federal Government has become frustrated in the past two years with the industry's resistance to micro-economic reform, and is trying to kick aside some of the impediments to change.

The construction industry is facing a number of sweeping reforms being prepared by the Federal Government.

The Model Building Act tackles some of the approvals issues which, particularly at

the local council level, can delay property development.

Born from the special Premiers Conference in 1989, the model Act is the product of a working party made up of representatives from the building industry and all three tiers of government.

Its aim is to define and limit liabilities and responsibilities where defects occur, to create a uniform national system for approving construction, and to allow authorities to employ private sector certification agencies to deal with the unusually high numbers of building applications during booms.

The working party, the Australian Uniform Building Regulations Co-ordinating Council, expects the reforms, if adopted, to cut down on inefficiency, improve and open the flow of technology between States, and eventually attract foreign investment.

Mr Kim Lovegrove, who heads the government liaison section of solicitors firm Home Wilkinson & Lowry and is legislative project director for the project, said

the Act would provide tremendous savings for the States, local government and industry.

"It is difficult to put an accurate figure on the amount but estimates reveal that if all aspects of the legislation get up it may save the country in excess of \$1 billion annually," he said.

With the advent of uniform approval and dispute resolution procedures, the way will be paved to free up the Australian building industry and make the Australian market more receptive to foreign investment, he said.

Two of the reforms highlighted are in the area of liability. Under the current State laws which deal with construction liability, a plaintiff can make a claim against the authorities or the building contractors and consultants at any time within six years of discovering defects.

Mr Lovegrove said this created extremely high insurance premiums which some defendants, usually councils, could not afford.

A further inquiry was that

under the present legislation the plaintiff, having sued the co-defendants (such as the planning authorities and the contractors), could sue any other defendants — once again usually the local council — for the full liability.

Under the new reforms the liability will be "capped" and defendants will have the backing of affordable indemnity cover.

It will also reduce the liability of local authorities which under current legislation are liable to pay full damages in a case where they may be only one of several defendants. Currently, if the other defendants — the builder, architect and engineer — have no money, the local authority is liable to pay the entire claim.

Under the model Act, the courts will have to apportion liability between co-defendants according to their responsibility for the damage, and no defendant will be liable for more than its judicially determined portion.