Building Amendment (Building Manuals and Mandatory Inspections) Regulations 2025

The Australian Institute of Waterproofing commend the strategic reforms to bring equity to consumers and improvement to industry outlined in the DTP's Strategic Plan 2024 – 2028. The background work commissioned by the "Expert Panel" highlighted five key reform pillars:

1. Stronger Consumer Protections
2. Better Practitioner Accountability
3. Clearer Documentation and Audit Trails
4. Fit-for-purpose Regulation
5. Transparent Enforcement Powers

Whilst we understand the Reform program will continue to be rolled out culminating in a new Building Act and Building Regulations in 2028. The changes nominated in the Building Legislation amendment (Buyer Protections) Bill 2025 currently before Parliament is foundational reform legislation. Once these foundations are set, additional Regulations and Guides will define the boundaries of change. In particular, the nominated **"Building Amendment (Building Manuals and Mandatory Inspections) Regulations 2025"** (ending the public consultation phase) created to achieve the strategic aims of:

- Protecting homeowners at all lifecycle stages (pre-build, build, post-build)
- Preventing regulatory gaps from allowing defects or poor practice
- Preparing the industry for tighter standards and digitisation

In summary the proposed regulations will;

- Require **building manuals** to be created and handed over to owners – including plans, permits, certificates, warranties, and inspection records.
- Introduce **mandatory inspections at critical construction stages** to catch defects early (e.g. waterproofing, fire resistance, structural framing)

The Purpose: Improve transparency, traceability, and accountability post-construction. Ensures that owners are not left with missing or ambiguous compliance information.

As the primary waterproofing industry association, our focus is on the specifics of these regulations relating to waterproofing. Our members cross the spectrum from international companies, small businesses, consultants, other professionals and students. Noting this bias,

we fully endorse the intent and broad principles of the proposed Regulations. We look forward to being part of the Stakeholder engagement to assist with the practicalities of refining the mechanics of the regulations. Particularly in supportive 'Ministerial Guidelines".

Some of the issues highlighted in the regulations document have touched on the cost – benefit of changes to both consumers and industry. We believe we can contribute to this piece of the Regulations, plus the future regulatory changes including "Trade Registration", "Pathway Licensing" etc. on the journey towards a new Building Act and Building Regulations in 2028.

We are all aware that Regulatory Reform can have some unintended negative consequences which should be avoided were possible. The following are some considerations:

- **Focus on Process over Outcomes**:
  Recognising that improved new processes provide better management controls, prioritising the focus on productivity growth outcomes is the aim and real measure of success. With a focus on productivity growth, the biproduct should be.
    - less consumer complaints,
    - better buildings,
    - better informed and trained industry participants
    - better financial results
- **Further Compliance costs don't necessarily deliver the corresponding desired outcomes.**
  Regulatory changes have both direct industry-paid additional commercial costs, plus the in-direct expansion of the Bureaucracies, which may result in higher taxes. Managing changes needs to be well thought through.
- **Undue financial and regulatory pressure on small businesses.**
  Most businesses in the building industry are involved with small business. Compliance requirements need to be short, simple and not arduous.

In summary, the Australian Institute of Waterproofing support the initiatives of the DTP in Regulatory Reform and we look forward to contributing to change through this journey.

David Hepworth

Honorary Secretary

20/5/2025