

Non-Conforming Building Products (NCBPs) - Chain of Responsibility

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NCBPs are products and materials that:

- Claim to be something they are not
- Do not meet required standards for their intended use
- Are marketed or supplied with the intent to deceive those who use them

Non-Compliant Building Products are:

• Products that are used in situations where they do not comply with the requirements of the NCC.



What has the government been doing about NCBPs?

- The BMF established a Senior Officers' Group (SOG) to develop strategies to address NCBPs
- Queensland has been leading the SOG's work as its Chair and Secretariat
- One of the SOG's findings was that building regulators generally don't have the ability to investigate and address NCBPs
- Another finding was that there was a disproportionate responsibility for building products at the end of the supply chain, e.g. builders and building surveyors.



Building and Construction (Non-Conforming Building Products – Chain of Responsibility and Other Matters) Amendment Act 2017

- The Bill was introduced into QLD Parliament on 25 May 2017
- On 24 August 2017, the Bill was considered and passed by Parliament
- On 31 August 2017 became an Act
- Building Minister has set the start/proclamation date as November 1, 2017.



What are the key features of the Bill?

- Establishes a chain of responsibility for building products
- Obligations are placed on building supply chain participants to ensure building products used in Queensland are safe and fit for their intended use
- Spreads product conformance responsibility across the supply chain – product designers, importers, manufacturers, suppliers as well as installers
- A Code of Practice is being developed to assist the supply chain in understanding how to discharge their obligations (delayed due to the QLD election).



Primary duty of a person in the chain of responsibility

Person in the chain of responsibility -

- Designs, manufactures, imports or supplies a building product and knows or is reasonably expected to know, the product will or is likely to be associated with a building; or
- Installs the product in a building in connection with relevant work
- Each person in the chain of responsibility for a building product must ensure that the product is not a non-conforming building product for an intended use.



Information Flow: Chain of Responsibility





Required information

- Act mandates that "required information" is to "accompany" building products for each intended use
- Must include:
 - Evidence it meets relevant standards and codes
 - Suitability of the product for the intended use
 - Installation instructions
 - How to associate it with other products (e.g. plumbing assemblies, waterproofing systems, etc).



Required information examples

- The inclusion of the required information affixed to the product, on or in, the packaging for the building product
- QR code, barcode, RFID or other electronic means of linking to a website or other digital data repository that contains the required information, affixed to the product, on or in, the packaging
- If it is not 'reasonably practicable' for the required information to accompany the building product (e.g. premixed concrete) the required information needs to be made otherwise available to the next person in the chain of responsibility.



Information Flow





New CEO (of all companies in the chain of responsibility) obligations

- Acquire and keep up to date knowledge of matters about the safe use of their building products
- Gain an understanding of the nature of the company's business activities relating to building products and safety risks and non-compliance risks associated with them
- Ensure the company has and uses appropriate resources and processes to manage risks and to comply with the company's duties.



QBCC's expanded powers

The QBCC (Queensland Building Codes Commission) will be able to investigate a NCBP by:

- Conducting investigations on non-active building sites
- Taking samples of building products for testing
- Declaring a building or building site unsafe
- Requiring parties to produce information about alleged NCBPs
- Direct rectifications of an unsafe building or building site
- Prosecute offences relating to supplying or installing a NCBP.



New powers for the Minister

- Issue recalls and publish warning statements designed to raise public awareness
- Enforce compliance and withdraw a product or batch from the marketplace for safety reasons
- Powers will be exercised where the circumstances are serious
- Show cause process in place to ensure fairness (i.e. may choose to publish information on a website to advise the community that a product is not non-conforming or could be non-conforming for a particular use)
- This will uphold the principles of natural justice.



Notable exceptions in the QLD NCBP chain of responsibility

- The Bill does not mention building designers/specifiers, builders or building surveyors
- The industry was at pains to highlight this oversight at the hearing to review the legislation, but the Bill passed without these suggested amendments
- Other jurisdictions now have the benefit of all the public records related to the QLD Bill and are unlikely to make the same oversight when drafting their own legislation.



Code of Practice / Information

- A Code of Practice is being developed to assist the supply chain in understanding how to discharge their obligations (considered to be subordinate regulation)
- The Code of Practice will incorporate elements of **BPIC's Substitution of Construction Products Guide** as well as editorial and content input from BPIC, BOSMA, CPA and others.
- Supporting information is now available to assist stakeholders understand the legislation and their obligations (www.qbcc.qld.gov.au/about-us/non-conforming-buildingproducts)
- Fact sheet for product suppliers: NON-CONFORMING BUILDING PRODUCTS - Building Product Designers, Manufacturers, Importers and Suppliers (<u>http://www.qbcc.qld.gov.au/sites/default/files/NCBP_Guides_for_Suppliers.pdf</u>)



NSW draft Building Products Bill 2017

- Sept 25, 2017 BPIC met with NSW Minister for Innovation and Better Regulation - Matt Keen, Policy Director - Julia Steward and head of the NSW Cladding Taskforce - John Tansey: Putting forward BPIC's concerns regarding cladding audits, as well as the benefits of early industry consultation during the drafting of NCBP legislation
- Oct 6, 2017 BPIC and other stakeholders impacted by the new Bill attended a confidential briefing on a draft NCBP Bill for NSW
- The Bill appropriately separates definitions for non-conforming and non-complying building products, and establishes appropriate connection with the Australian Consumer Law model for product recalls and bans
- It goes beyond the Queensland legislation as it places obligations on more people in the supply chain including building designers and potentially building certifiers
- Due to be introduced into the NSW Parliament in November 2017.



Issues for industry to consider

- Manufacturers and installers get it (mostly), but retailers and wholesalers are not engaging with QBCC
- Product associations need to make their constituents aware of the history, purpose and new obligations of the Act because it is being used as model legislation for the rest of the country
- How to deal with existing inventories in warehouses or in-transit to job sites?
- Manufacturers might need to re-evaluate their position on digitisation of product data as well as barcoding and/or labelling of products
- Product associations could play a key role in determining the appropriate format of product data and labelling for their sector (instead of leaving each manufacturer to come up with their own solution), with possible assistance from BPIC if requested.



Example of electronically linked product information



AUSTRALIAN WINDOW ASSOCIATION MEMBER

Scan the QR code to watch our installation videos.

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Tools available to help digitise product data





CoBuilder







Thank You