

Recent Commonwealth Initiatives & Policy

INTRODUCTION

The Government recently released its plan for Australian industry, Investing for Growth, which outlines existing industry policy together with some new initiatives.

This section goes to a more specific level and provides an overview of recent projects, initiatives and commitments the Commonwealth is pursuing to facilitate the development of the Australian building and construction industry. It is a snapshot of current Commonwealth policy and activities.

The primary focus of this paper is on activities pursued by the Department of Industry, Science and Tourism ("DIST"). It divides activities pursued by DIST and the wider Industry, Science and Tourism portfolio, and those that are being carried out by other portfolios.

Department Of Industry, Science & Tourism

Australian Bureau of Statistics (ABS) Construction Industry Survey

DIST has been involved in the development of the 1997 Construction Industry Survey ("CIS"), in conjunction with the Australian Bureau of Statistics. The CIS will survey approximately 20,000 construction businesses and provide details about the structure, activity and performance of the sector. The last Survey was undertaken in 1988-89. This survey will provide key measures of industry performance and assist in establishing benchmarks, covering a range of data from the number of employees, income and expenses to innovation, research and development activities. The outcome of the survey is expected by the end of 1998 with preliminary data available by June 1998.

Participation In National And International Fora

Australian Procurement & Construction Ministers' Meeting

The Australian Procurement and Construction Ministers' Meeting provides a forum for State and Commonwealth Ministers to deliberate on construction issues as they relate to the public sector as a client, and broader industry issues.

Australia-Indonesia Ministerial Forum - Housing & Public Works Working Group

The Ministerial Forum's Housing and Public Works ("HPW") Working Group, jointly chaired by DIST and Indonesia's Ministry of Public Works, was endorsed by Ministers at the third Ministerial Forum held in 1996.

Australian membership of the Working Group is made up of representatives from Commonwealth and State Governments and industry.

A key activity currently being progressed under the HPW Working Group is the Driyorejo development project. This was supported by Australia's Minister for Industry, Science and Tourism, the Hon. John Moore MP, and Indonesia's Minister for Public Works, Radinal Moohtar, as a model to expand and promote private sector cooperation between our two countries. Driyorejo is a 300,000 person urban development project located just outside of Surabaya, East Java, and will encompass the full range of urban development requirements from financing and planning through to construction and maintenance.

Additionally, the Department has been involved in developing a financing model for international urban development projects under which Driyorejo will be used as a case study.

Second Ministerial Forum on Infrastructure Development in the Asia-Pacific Region

Minister Moore attended the Second Ministerial Forum on Infrastructure Development in the Asia-Pacific Region held in Chile on 26-27 June 1997. Key outcomes from the Forum were:

- a commitment to create policies to foster participation by the private sector in public infrastructure projects;
- the Japanese Ministry of Construction to develop and expand its infrastructure database;
- an agreement to promote the standardisation of construction regulations with a view towards increasing collaboration between participating countries; and
- an agreement to increase participation in related seminars and workshops towards a greater sharing of information between member countries.

Asia Pacific Economic Cooperation (APEC) Infrastructure Meetings

Australia is represented on APEC's Economic Committee by DIST and the Department of Foreign Affairs and Trade. The outcomes in 1997 of the APEC Economic Committee's Infrastructure Workshop were:

- the decision to establish an InfraNet database to provide an up to date list of proposed and initiated Australian infrastructure projects

and to highlight Australia's industry capabilities; and

- the examination of Regional Infrastructure Facilitation Centres.

APEC/International Building & Construction Standards & Conformance Development

The World Trade Organisation Agreement on Technical Barriers to Trade addresses the need to eliminate possible barriers arising from differences in standards between different countries. The reduction in differences is also the goal of APEC's Sub-Committee on Standards and Conformance ("SCSC").

In the SCSC context, APEC member economies have set the goal of aligning their mandatory and voluntary standards with international standards where appropriate by the year 2010/2020. In pursuing this goal, the SCSC will identify priority areas for alignment in the short to medium term (2000/2005). To assist in identifying the issues that need to be considered when aligning standards with international standards, member economies undertook four case studies in the areas of electrical and electronic products, rubber products, plastic products and food labelling.

As a consequence, members agreed upon a guideline for the alignment of standards with international standards. The SCSC has agreed to a two-stage process of development of international standards and the subsequent alignment of member economies' standards.

Two ad hoc Technical Groups have been formed to undertake work in the areas of loadings and structural design standards and timber standards (e.g. timber grading). Once developed, it is the intention that member economies will align their standards with these international standards. Australia will convene the Technical Group 1 (loadings and structural design standards) and New Zealand will convene Technical Group 2 (timber standards).

Microeconomic Reform

Australian Building Codes Board

The Australian Building Codes Board was established to pursue fundamental reform in the way building regulations operate in Australia. An agreement between the Commonwealth of Australia, the States and the Territories to establish the ABCB was signed on 1 March 1994. Commonwealth, State and Territory governments are represented on the Board.

The ABCB's primary role is to undertake the development and maintenance of performance based building codes and standards that are economically efficient, socially responsible, technically proficient and nationally uniform.

Australian Building Codes Committee

The Australian Building Codes Committee is the peak advisory body on technical matters to the ABCB, providing major technical input into the development and

maintenance of the Building Code of Australia. The Commonwealth is represented on the Building Codes Committee by DIST's General Manager, Building and Construction Industries Branch.

Report on Australian Building Regulations, Standards & Conformance Systems

There have been a number of inquiries into the various regulatory systems within Australia over the last few years. While States and Territories are moving to adopt more uniform requirements, there are still significant differences, particularly in administrative systems.

DIST has prepared a report on Australian Building Regulations, Standards and Conformance Systems to assist the Construction Regulations and Standards Internationalisation Group in achieving its objective of reducing non-tariff barriers to trade in housing and construction goods and services. The report is targeted particularly for use overseas by domestic practitioners and for government to government discussions when explaining Australian building and construction regulatory systems and how they operate. It is intended to publish this report in early 1998.

International Focus

Overseas Regulatory Systems Project

A report is being prepared that describes major elements relating to building regulations, standards and compliance systems in a number of target countries. The priority countries identified for initial study are Indonesia, Malaysia, Thailand, Philippines and Singapore. The report will assist Australian building and construction firms who require knowledge of the building regulatory environment in the target countries. The report will also be useful in government to government discussions and is due for completion by end January 1998.

Product and Services Potential Report

In 1993 the former Department of Health, Housing, Local Government and Community Services produced a Report "*Product and Service Potential*" which focussed on supply side issues associated with export capability.

The report is now being updated and will address the capabilities for increased products and services exports of the housing, construction and related industries. The report is due for completion in March 1998.

Multilateral Agreements

DIST is involved in developing international performance based building and construction standards, mutual recognition arrangements, and harmonisation of technical building requirements through multilateral fora, including APEC, ASEAN Free Trade Area and the World Trade Organisation.

Bilateral Agreements

The Department is progressing a number of bilateral activities with Japan, Indonesia and China under country

specific, government to government, Memoranda of Understanding ("MOU's") on building, housing and urban development.

Singapore-Australia Joint Feasibility Study Fund

The Singapore and Australian governments established the Joint Feasibility Study Fund ("JFSF") to complement the Singapore-Australia Business Alliance Forum in encouraging joint ventures between Singapore and Australian companies in third countries, preferably in the Asia-Pacific region. JFSF grants cover feasibility studies and/or marketing or tendering costs for specific project opportunities. Management of the Fund is undertaken by DIST and Austrade in Australia and by the Economic Development Board in Singapore.

The Urban Export Fund

The Urban Export Fund ("UEF") is a business assistance program set up to assist Australian companies in the housing and urban development sector further penetrate Asia and other markets. The objectives of the UEF are to:

- create export opportunities for small to medium sized enterprises in the housing and urban development sector through networking with project sponsors; and
- provide a basis for cooperation between government and firms in this sector to increase the success rate of firms winning work through overseas projects.

Under the Fund, interest free loans of between \$30,000 and \$100,000 are available to help small to medium sized firms undertake marketing and tendering activities.

Japan-Australia Housing Group

DIST funds this network of Australian housing and building material suppliers, which promotes an "Australia Inc." approach to marketing the sector to Japan.

Best Practice/Innovation & Research

The Department has worked closely with the industry to develop a best practice guide that provides a basis for raising awareness of the benefits of best practice. The Guide was released in November 1996, and is available through industry associations which serve the housing industry.

The Residential Subcontract Sector

In August 1996, the Department released a study into the Australian Residential Subcontract Sector. The primary aim of the project was to gain a better understanding of the structure and characteristics of the subcontract system.

Housing Construction Waste Study

DIST commissioned the Centre for Design, Royal Melbourne Institute of Technology, to undertake an

investigation into source reduction of waste on residential construction sites. Covering three states, this research represented the most extensive study yet undertaken of waste arising from the house building process in Australia. The study took waste minimisation as its priority focus, but other key factors in waste management such as storage, reuse and recycling were also examined. The full report was released in January 1997.

ISONet

The Industrial Supplies Office Network (ISONet) is an independently managed non-profit organisation financially supported by Australian, New Zealand and State governments to assist purchasers identify the capability of Australian and New Zealand industry for the purposes of import replacement and export.

The Commonwealth has established ISONet Pty Ltd as a national coordination point for the ISO Network.

ISO consultants are being placed in major infrastructure projects to help maximise the involvement of Australian suppliers of goods and services. By working with project managers in the project development phase, the use of Australian products and services will be improved. This has the potential to benefit firms in the building and construction industry. For example, through Commonwealth funding, the ISO Network worked with the Sydney Airport Noise Reduction Authority to maximise the use of Australian suppliers.

Supply Chain Management Program

The Supply Chain Management Program is an initiative that assists enterprises to be more internationally competitive and innovative by encouraging the adoption of closer and more effective customer-supplier relationships.

This program is about a change in business attitudes and practices. Industry needs evidence for and reasons why they should adopt new ways of working along the supply chain. As such, the Supply Chain Partnerships Program is a demonstration program which will promote the concepts and benefits of supply chain management throughout industry.

The Supply Chain Partnerships Program has been designed to undertake demonstration projects in supply chain management across all sectors of Australian industry. It involves:

- facilitating information seminars to raise awareness of supply chain management and what it means for leading enterprises and their suppliers;
- providing support for a number of demonstration projects in a range of industry sectors and placement of facilitators to work with leading enterprises and their suppliers; and
- promoting results and the lessons learnt from supply chain management projects.

The Program is particularly relevant to the building and construction industry. While it is in its early stages, should any building and construction industry members wish to participate in the program, further information is available from the Manager, Supply Chain Partnerships Program, DIST, on telephone (02) 6213 7207.

Technology Support Centres Program

The Technology Support Centres Program facilitates the establishment of a coordinated national network of viable Technology Support Centres to improve industry's access to technology. The network will incorporate key technologies, and operate across sectors and regions.

The Construction Industry Institute is conducting a feasibility study to examine means of diffusing best practice to small and medium sized enterprises in the building and construction industry. CSIRO is also establishing the protocols for exchange of electronic construction project data between various sites and companies within the industry.

AusIndustry

There are four main programs offered by AusIndustry that are relevant to the Australian building and construction industry. Details of each program are listed below. For further information on each of the programs contact your local office of AusIndustry on telephone 132 846.

R&D Start Program

AusIndustry's R&D Start Program provides funds for eligible small to medium sized enterprises to undertake industry research and development and related activities. It includes a range of R&D grants, concessional loans for early commercialisation activities and support for early venture capital investment. Additional funding for this program was announced in the Government's Investing for Growth statement.

R&D Tax Concession

The Concession aims to encourage increased investment in R&D by Australian companies in order to increase levels of innovation in, and international competitiveness of, Australian industry. In Investing for Growth, the Government announced the introduction of measures to streamline registration and lodgment requirements for the Concession.

Business Networks Program

AusIndustry's Business Networks Program provides eligible businesses with assistance to develop business networks to maximise business potential and increase competitiveness through joint activities.

Enterprise Improvement Program

AusIndustry can provide assistance to Australian SMEs in the manufacturing and service sectors to become internationally competitive through enterprise improvement. All firms have free access to a

comprehensive information and referral service. A diagnostic assessment assists firms to examine how the business operates. The diagnostic is confined to providing information on an individual business' mission - strengths, weaknesses, opportunities and threats - and making recommendations for further action.

Northern Territory Construction Industry Plan

DIST has provided some funding to support the development of a Construction Industry Plan for the Northern Territory. The primary objective of the Plan is to develop a coherent strategy for the future of the Northern Territory building and construction industry.