

Australian inquiry into dangerous building products: An exercise in political damage control

Richard Phillips**27 July 2017**

Building and fire safety officials and strata unit peak bodies testifying at hearings of a Senate investigation into “non-conforming building products” over the past fortnight presented a damning portrait of the construction industry.

The Senate committee inquiry was initiated in June 2015, eight months after a potentially fatal apartment fire in Melbourne’s Docklands area. The outside of the 23-storey Lacrosse building, which was covered with flammable aluminum cladding, quickly caught fire in the early hours of November 25, 2014.

No one was killed in the Lacrosse blaze—internal sprinkler systems prevented the fire moving inside the building. Nevertheless, the Senate investigation was convened in an attempt to defuse widespread concerns.

Following the Grenfell Tower disaster on June 14 in London, the spotlight again fell on Lacrosse and Australia’s building industry. Prime Minister Malcolm Turnbull promised a national audit of aluminum-clad buildings and declared that concerns about cladding would be discussed in the current Senate inquiry. The long-running investigation has been extended five times, and is not expected to release any findings until early next year.

In hearings over the past fortnight, witnesses blamed the widespread use of dangerous materials and safety frauds on federal and state government deregulation of the industry. One witness said the question was not “if” there would be a serious catastrophe in Australia, but “when.”

Along with flammable cladding, the hearing received detailed evidence on the use of asbestos, including in at least one hospital—the Perth Children’s Hospital in Western Australia—as well as faulty electrical cabling and exploding glass panels.

Safety and building engineers detailed the industry’s free-for-all nature, with forged product safety documents, non-operating sprinkler systems and illegal techniques used to pass building safety inspections.

Government deregulation, which began in the mid-1990s,

also involved the privatisation of building inspections, allowing construction companies to hire their own inspectors. This places enormous pressure on certifiers to “flick and tick”—i.e., to turn a blind eye to obvious faults and pass unsafe buildings—or risk not getting any future work.

Other witnesses warned that “non-compliant construction work” is as widespread as non-compliant materials because there is no serious enforcement of building standards nationally.

Under-staffed government agencies fail to check building materials or buildings, let alone prosecute construction companies, corrupt building inspectors or anyone else for building code and safety standard violations.

Fire Protection Association Australia CEO Scott Williams told the Sydney hearing on July 19 there was a lack of enforcement. “There must be surveillance, there must be auditing, there must be compliance and there must be consequences through that process for behaviours that don’t support the process.”

Dr Darryl O’Brien from the Australian Institute of Building compared the privatisation of building safety checks with the Roman Catholic Church’s sale of papal indulgences as a “confessional insurance to the faithful” in the Middle Ages.

“In 2017 we may be sceptical that payment to a higher authority could provide the faithful with insurance for the afterlife but in many ways our reliance on [building] certification and test reports for building materials is similarly based on faith, not evidence,” O’Brien said.

Engineers Australia CEO Peter McIntyre pointed to “inconsistency in construction regulation and enforcement” and said “cost-reduction imperatives dominate the process.” Although “deficiencies are often noted year after year,” there is “no mechanism to force rectification.”

Stephen Goddard from the Owners Corporation Network, which represents strata unit owners, said consumer protection for buildings had been “whittled away” by state

governments. In New South Wales alone, two million people live in strata title dwellings.

Goddard denounced consecutive federal governments for refusing to heed the warnings of industry professionals and strata unit residents. “I have more consumer protection buying a refrigerator than a \$1.5 million apartment,” he said.

“In 2002 our parliaments were deaf to what you are hearing now because the agenda was entirely different and capital growth in our housing market wallpapered over the damage,” Goddard said. “It’s only now, with Lacrosse and the Grenfell situation, that we’re pulling the skin off the custard and looking at it in the cold light of day.”

Apartment owners, not builders and developers, are being forced to bear the cost of rectifying faulty buildings. Karen Stiles, also from the Owners Corporation Network, said the financial burden was intense, causing major social problems. “Marriages are breaking up” she said. “People are bankrupted. People suicide with the stress. This is a terrible, terrible problem.”

Philip Dwyer, a former Builders Collective of Australia national president, said there had been a “shameful” decline of construction standards. “We’re responsible for building people’s homes,” he said. “We need to be responsible and accountable, but we’re not. We’ve got the [building] codes board, and so on, which have oversight over the whole lot, but they do nothing...

“I’ve been building for 40-odd years, and to see the downhill slide in the last 10 or 15 years is really an affront to all of us. Talk must stop and we must do something very practical about it... We’re cutting corners everywhere, and we’re going to have a disaster.”

Notwithstanding these damning exposures, the Senate inquiry is an exercise in political damage control. Its purpose is to divert the concerns about building safety voiced by fire-fighting and emergency service personnel, construction workers and safety engineers, and apartment residents, into the hands of the political establishment.

Like every other parliamentary investigation, any recommendations issued by the inquiry will be “business-friendly”—i.e., calculated to boost profits—and will protect those politically responsible for the unsafe homes, offices and public buildings across Australia.

Those presiding over the past fortnight’s hearings include Labor senators Chris Ketter and Kim Carr and the right-wing populist Nick Xenophon.

All feigned concern about the dangerous state of the construction industry, acting as if they knew nothing about the origins or consequences of free-market deregulation and the privatisation of building safety agencies. This is political theatre designed to deflect attention from the record of Liberal-National and Labor governments, state and federal.

At the Melbourne hearing, Federal Safety Commissioner Alan Edwards admitted his agency had conducted no audits of building materials in the past seven months and taken no action against construction companies violating the national building code.

Senator Carr declared that the licensing and regulatory regime was “one of the great buck passing exercises” in his more than 25 years in parliament.

In Sydney, Senator Ketter, who chairs the inquiry, declared: “We’ve got a broken system, industry standards that aren’t worth the paper they’re written on and copies of the standards which are too expensive and people can’t afford to access them.”

What a fraud! Both men are fully aware that Labor and Liberal-National governments alike are responsible for the breakdown in building standards.

Testimony from Construction Forestry Mining Energy Union (CFMEU) national policy research officer Travis Wacey was just as cynical.

The union, which maintains close working relations with building companies and product manufacturers, called for import controls on Chinese building products. “Our borders are essentially out of control when it comes to quality assurance of product coming in—from consumer products to buildings products,” Wacey told the Melbourne hearing.

This is a nationalist diversion, aimed at hiding the fact that the union has worked hand-in-glove with building industry bosses to cut costs and drive up productivity. It is also aimed at strengthening the union’s relations with Australian manufacturers of building products.

The Senate inquiry is another attempt by the political establishment to cover up the underlying economic and political reasons for the catastrophic situation facing building workers, home and apartment owners and residents—the reckless drive for profit at all costs.



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