

June 9, 2020

The Hon Josh Frydenberg MP  
PO BOX 6022, House of Representatives, Parliament House, Canberra ACT 2600

Dear Treasurer

**RE: REQUEST FOR URGENT HOMEBUILDER SCHEME CONFORMITY SAFEGUARDS TO BE INSTIGATED**

I am writing to you on behalf of the *Building Products Industry Council (BPIC)* to congratulate the Federal Government on its \$25,000 HomeBuilder grants for residential construction incentive. While we are pleased to see an injection of up to \$680 million dollars into our struggling sector, we wish to urgently see effective ***Building Product Conformity Requirements\**** put in place to protect the scheme from significant unintended consequences.

With the cost of building materials making up anywhere between one quarter and one half of the total cost of any project, it is imperative that measures are put in place to ensure that the combined money (recipient investment + HomeBuilder grant) spent on each project is used to purchase and install conforming building materials.

It isn't simply enough to require that grant recipients use registered builders. Given the ease with which builders can purchase building products that are not fit-for-purpose and the incentive for them to do so to cut costs on projects in a depressed market, it is likely that without such contractual product conformity safeguards, a significant proportion of taxpayer money and national debt incurred through the HomeBuilder scheme, will end up in the pockets of foreign or dodgy suppliers, rather than supporting the local economy and local jobs.

**Therefore we urge your Government to immediately instigate appropriate conformity safeguards for HomeBuilder and other construction related grant schemes, to ensure that only conforming building products are used, that a publicly transparent framework is in place to monitor and report on such usage, and that effective punitive measures are documented and enforced to discourage wrong-doing by grant recipients and builders.**

If these steps are not taken urgently before the HomeBuilder scheme gains momentum, we are likely to see a repeat of the flammable cladding, lead contaminated plumbing, asbestos contaminated panelling and other building conformity fiascos. Except in this case, the Government will have directly subsidised the procurement of these types of sub-standard products, thereby exposing itself to liability, extensive rectification costs and potential public inquiry.

BPIC thanks you for your consideration and looks forward to assisting Government in these important national economic recovery efforts. We look forward to your urgent response.

Yours sincerely,



Rodger Hills – BPIC Executive Officer

\* ***Building Product Conformity Requirements*** include compliance with Australian Standards, regulatory codes (National Construction Code and State and Territory Building Codes), ISO/IEC 17065:2013 product certification schemes and other relevant product conformity frameworks such as Codemark, WERS and WELS.