

The Builders' Collective of Australia inc. Reg No: A0044153G

Representing the small to medium Builders of the nation

Dear Commissioners,

Thank you for inviting me to respond to the late submission to your enquiry that was presented by the HIA and I trust that our response will be helpful for you in the preparation of your final report.

We have used the format of responding specifically to various statements in the HIA submission and have reproduced the HIA submission for this purpose with our comments interspersed in red as appropriate.

Our overall impression of the HIA submission was that while on the one hand they attempt to make the case that there is no need for reform, they then spend significant time on the need for reform. The only explanation for this contradiction that we can see is that the HIA are focused on keeping the last resort Builders Warranty insurance product in the market place and, perhaps incorrectly, assume that all reform must stem from that premise.

In their defense, it is only natural for HIA to want to keep this product in the consumer protection framework as they have derived significant income from it in the past and still continue to do so today. Notwithstanding this commercial interest, it is our expectation that the Productivity Commission can make an unfettered assessment of the consumer protection reality and work with the industry to create better outcomes into the future.

One area of significant concern to us is the amount and content of many confidential submissions made to your inquiry. I have been privy to many of these confidential submissions and I am very concerned for the future of our industry as a result. That is, the main reason why builders felt the need to make confidential submissions was the very real fear of direct retribution against them from either regulators, insurers or even their own trade associations that also market last resort warranty insurance.

This fear of retribution is very real as these entities hold many tools that can overnight restrict or close down legitimate business operations leaving builders with very little real defense or recourse to due process or natural justice. This we believe lies at the core of our concern with the current privatized system of consumer protection and by default, industry management. That is, the distinct lack of transparency and public accountability to these actions. Many builders have contacted me and have refused to even submit confidential submissions for fear of retribution. This, I am sure you will agree is not the way our industry should be managed or regulated.

On that basis we commend you for your draft report and remain committed to better outcomes for the National Building industry and we look forward to working with Government at all levels to achieve these outcomes.

Kind regards,

Phil Dwyer

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