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Cheap, highly combustible, Chinese-made cladding that doesn't meet Australian standards was installed on a Melbourne high-rise that saw fire fly up its 15 stories last year, and now the Senate has announced an inquiry into substandard building products to respond to the alarm over a growing wave of dodgy imported material making their way into Australian buildings.

Transcript

LEIGH SALES, PRESENTER: Last year, when fire engulfed 15 storeys of a Melbourne high-rise in a matter of minutes, many building industry insiders muttered a hearty, "I told you so".

The building had been covered in cheap, highly-combustible, Chinese-made cladding which doesn't meet Australian standards and should never have been installed.

The Senate's just announced an inquiry into substandard building products amidst alarm that events like the one in Melbourne could be repeated, thanks to the growing wave of substandard imported materials making their way into Australian buildings.

Madeleine Morris reports.

JOHN CUTLER, ELECTRICIAN: Well what we're looking for here is marking branded Olsent or Infinity.

MADELEINE MORRIS, REPORTER: Electrician John Cutler is on the hunt for dodgy imported electrical wiring.

JOHN CUTLER: We can see that the cable has been labelled, and in this case, it's not Infinity cable.

MADELEINE MORRIS: A lucky escape. This house isn't one of the tens of thousands of Australian homes have been installed with dangerous cabling sold under the brand name Infinity which is degrading and could catch fire or cause electrocution.

JOHN CUTLER: It makes you wonder how did this situation ever occur? You would have thought that the testing processes and the approvals regime would have picked this up before the event.

MADELEINE MORRIS: The Infinity cable comes from China and was widely sold, despite not meeting Australian standards. It's so dangerous that Australia's consumer watchdog is running a national recall of the product estimated to cost \$80 million. It's a race against the clock to get to all homes before the Chinese-made cable's plastic casing starts to degrade.

ROD SIMS, CHAIRMAN, ACCC: The recall is going slowly, unfortunately. There's 40,000 houses out there, the recalls at the moment are considerably below 10 per cent, which is not good enough, given the concerns arise from next year.

MADELEINE MORRIS: It's not just dodgy cabling going into Australian homes; it's imported glass, windows aluminium, steel, insulation that don't meet Australian standards.

When fire ran up Melbourne's Lacrosse Building last year fuelled by combustible Chinese-made cladding, it sounded the alarm on a problem that's been getting bigger every year.

INNES WILLOX, CEO, AUSTRALIAN INDUSTRY GROUP: China's the world champion or the market leader at producing non-conforming product and we've seen a lot of that come into Australia already.

MICHAEL O'CONNOR, NATIONAL GEN. SEC., CFMEU: We've made it very clear to each government, state and Commonwealth, that unless action is taken, you will see the threat of someone being killed because of this or seriously injured and there needs to be immediate action.

MADELEINE MORRIS: All products going into Australian buildings are supposed to meet strict standards laid out in the building code, but a shocking number of imported products don't.

Nine out of 10 businesses in the building trade have complained to the Australian industry group that they're being forced to compete with substandard imported products.

INNES WILLOX: You're looking at electrical cabling and wiring, glass, aluminium, wood products, all of which had been the subject of non-conforming products.

TRACEY GRAMLICK, AUSTRALIAN WINDOW ASSOCIATION: There tends to be flooding in at the moment. In fact, it's up to around about 22 to 25 per cent in the residential sector and even more in the commercial type of sector.

MADELEINE MORRIS: Tracey Gramlick is fighting to keep substandard windows out of Australian homes and offices. Members of her industry association test their Australian-made windows to prove they don't leak and shatter safely.

But some offshore competitors are so ruthless about getting into the Australian market that they're forging product safety certificates.

TRACEY GRAMLICK: So this is an example of fraudulent documentation and certificates, a series of licence certificates that don't exist, so they're completely fraudulent.

MADELEINE MORRIS: So how many of these forged documents have you come across?

TRACEY GRAMLICK: Dozens of the SAI Global certificates, there's a few of ours and dare I say hundreds of test reports.

MADELEINE MORRIS: Nearly everyone in the building industry agrees Australia's problem isn't a lack of regulation, it's that existing rules simply aren't enforced. Every day imported product is arriving, passing through Customs on to retailers and wholesalers, and all too often, no-one is checking if it's up to standard until the very last hurdle, the building surveyor. Experts say it's a system effectively built on trust.

TRACEY GRAMLICK: There's no-one responsible for the policing of compliance in this country. We're solely reliant on the building surveying industry and they're relying more and more on documentation and less and less on going out and inspecting the physical aspects of buildings. So what we're saying to surveyors is: here's paperwork, here's validation and they can no longer rely on that. They don't know whether it's falsified or not.

MADELEINE MORRIS: Even at the highest levels, there's disagreement about whether it's the job of government or industry to fix the problem.

INNES WILLOX: At the end of the day, it's government that is responsible and there's a standards issue that has to apply here.

ROD SIMS: In our view, it clearly is the job of companies who are bringing this product in. Firstly, manufacturing it here, if it's being manufactured here, or if it's coming from overseas importing it. The companies involved in the value chain have got to make sure that what they're selling is safe, and of course, complies with building standards.

MADELEINE MORRIS: Senator Nick Xenophon has been pushing for an inquiry into imported building products and yesterday the Senate agreed to hold one.

NICK XENOPHON, INDEPENDENT SENATOR: There are too many complaints, too many

unanswered questions as to these building products coming in from overseas that don't comply with the Australian standard. The regulatory regime appears to be flawed or simply not working and this is not just about Australian jobs that are at risk, but it's also about Australian lives that are being put at risk with these products.

MADELEINE MORRIS: But in the end, even with better regulation and enforcement, consumers need to understand a low price tag can come with a hidden cost.

TRACEY GRAMLICK: We have a quest for low-cost houses in this country. Everybody wants to own their own home. And affordable housing, as much as we endorse or support affordable housing, what that means is that you actually sometimes have to compromise on the quality of the products that you're putting in.

LEIGH SALES: Madeline Morris reporting.