



## **AUTUMN 2016 – NON CONFORMING PRODUCT UPDATE**

### **Chair's Perspective**

2016 is shaping up to be a promising year in terms of governments across the country stepping forward to support industry's call for action on non-conforming products. The Senate Economics References Committee will be reporting on the outcomes of its inquiry into non-conforming building products and Building Ministers will be making decisions as to government strategies to combat the problem.

Alliance members have always had the view that there is no silver bullet to the problem, but rather a series of short and longer term initiatives are needed. The Alliance, and a number of its members made submissions to the Senate Committee inquiry and a number of Alliance representatives have appeared and given evidence at the Senate Committee hearings.

We have made some changes at the Alliance for 2016. We are pleased to welcome the Building Product Innovation Council (BPIC) to share the secretariat load with Ai Group as we move into the next stage of our activities, new industry bodies will be invited onto the steering committee and we are making stronger connections to our stakeholder base.

Importantly, we have proved that when industry stakeholders get together and coordinate their activities we are capable of achieving fundamental change for

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the benefit of all.

Regards, Lindsay

## **BPIC Shares Alliance Secretariat**

Ai Group is pleased to share with the Building Products Innovation Council (BPIC) the secretariat functions for the Alliance. The BPIC is an important group that has a key role to play in supporting a sustainable industry into the future and its support of the operations of the Alliance is welcomed.

“I am delighted to announce that the Building Products Innovation Council (BPIC) has agreed with Ai Group to share the secretariat functions of CPA for an initial 6 month period,” says Rodger Hills BPIC’s Executive Officer, “with the intention of progressively taking over all functions after that should the arrangement prove beneficial to all parties.”

“We are grateful for Ai Group’s work in setting up and running the CPA and are keen to assist in the ongoing development of the CPA and its mission,” says Mr Hills.

Initially BPIC will assist Ai Group in putting together a regular CPA newsletter, sending out invitations to form a second tier of CPA stakeholders, and investigating the feasibility of a research project to quantify instances of non-conforming product in the industry and provide verifiable case studies of NCP across the building sector.

## **Senate Hearings Update**

The Senate Economics References Committee has just held (15 February 2016) the second sitting day of it’s the inquiry into non-conforming building products in Melbourne. The Alliance was represented by the Chair, Lindsay Le

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Compte who fielded a range of questions from Senators. Lindsay reiterated the structure of the Alliance as described in the written submission made to the Senate Committee, and it was clear that the Committee recognised the significance of the Alliance as a wide coalition of construction industry contractors, manufacturers and importers.

Questions highlighted the need for industry to establish a process for obtaining reliable statistics and case studies to document the economic impact of NCP on the building products market. This linked in with a theme found in the testimony from Federal Government agencies from the first day of hearings where it was highlighted that more evidence of NCP is required to support the argument that there is a systemic failure of the regulatory system.

The Alliance notes that one of our recommendations to the Senate was to establish a confidential reporting system in order that information regarding NCP can be placed into the public domain without the risk of adverse impact on supply chain relationships or litigation. The Senate is due to report by 16 March 2016.

[See here for more information.](#)

## **BMF Update**

The Alliance took part in the industry summit at the Building Ministers Forum in Melbourne on 31 July 2015. At this Forum Ministers agreed that a Senior Officials Group would be formed to investigate strategies for addressing NCP.

Building Ministers met again on Friday 19 February 2016 to consider a report from the Senior Officers Group.

Following the meeting the Minister's issued a communique effectively endorsing the approach suggested by the Alliance. While more work is required to put the

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meat on the bones of the new approach to regulating products the decision is an encouraging step forward.

The Alliance believes that the Building Ministers will shortly release for industry and public comment a document with suggested improvements to the regulatory regime based on the Alliance's submission and drawn from the Senior Officers Report. This will provide the Alliance with an opportunity to assist in shaping the final scheme.

We also understand that the Senior Officers Group will then have 2 months to develop a timetable and structure to advance the changes agreed to. While the bureaucratic wheels often turn more slowly than we would like, we can see that as a result of the work of the Alliance and its constituent members the direction in which the governments are heading is a positive one.

Nonetheless, the Alliance has to be vigilant to ensure that the agreed outcomes are realised as expeditiously as possible.

[See here for the Communique from the meeting](#)

## **Alliance's Connections Expanding**

The Alliance is refreshing our Steering Committee and formalising connections to our stakeholders group. This move was foreshadowed at the Alliances' meeting held at the HIA offices in 2015. Practically, this will mean that the industry bodies will have the opportunity to interact with the Alliance Steering Committee on a more regular basis to discuss NCP issues and progress. The new structure will be implemented in March.

## **Alliance Website**

The Alliance is pleased to announce the launch of its new website at:

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<http://productalliance.com.au/>

Developed and hosted by the HIA, the new site is closely aligned with the Alliances' strategic plan and objective, to promote awareness of non-conforming building products and identify opportunities for improved supply chain solutions.

The new website offers a clean, modern design, easy-to-navigate functionality, and a content-rich site experience. The navigation pane enables the users to quickly and easily keep up-to-date with the activities of the Alliance, progress towards its goals, as well as latest news, resources and tools.

It is hoped that it provides a high-profile platform from which the Alliance can extend its NCP awareness raising efforts.

## **Wins on Steel Compliance**

The South Australian Government is requiring public sector projects in that state to use steel that is certified to Australian Standards. This decision will provide an important lift in the visibility of third party certification systems such as those implemented by the Australasian Certification Authority for Reinforcing and Structural Steels (ACRS).

The decision by the South Australian government will provide local industry with a much needed levelling of the playing field when competing against imported steel products. Contract conditions for Government projects will shortly specify that steel products will be required to be sourced from steel fabricators independently certified to the recently created National Structural Steelwork Compliance Scheme (SCA).

As this measure is neither protectionist nor anti-competitive, the Alliance regards this as a sensible approach by the South Australian government to "level" the playing field. It is potentially a template that can be followed by other

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State and Territory governments.

## **APCC Guide**

The APCC has released the second edition to the widely recognised “Procurement of Construction Products: A Guide to Achieving Compliance”. The Guide is aimed at assisting anyone involved in the building industry to ensure the building products they select, buy and install meet Australian building standards. The Guide fills the gap in credible and accurate information on ‘safety critical’ products, to verify construction product conformance, in order to determine whether or not a product is fit-for-purpose.

[See here for more details.](#)

## **Asbestos on Building Sites**

The ABC reported that there were more than 50 building sites across the nation are suspected of illegal asbestos contamination from China.

The Asbestos Safety and Eradication Agency advises that of 64 sites where asbestos-tainted concrete fibre sheeting has been used in construction.

The Agency advised that it is an emerging problem and it seems to be growing exponentially, as more and more products are brought into Australia and that it could be the tip of the iceberg."

[See here for more information.](#)

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