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Building Stronger Foundations consultation
Regulatory Policy, Better Regulation Division
Department of Finance, Services and Innovation
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2-24 Rawson Place
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Cc: Kevin Anderson MP
Minister for Better Regulation and Innovation

Dear Building Stronger Foundations consultation,

Building Stronger Foundations Consultation

Who I am

I am a licenced builder in NSW & Qld and a project manager. I teach building part time at technical college. I am the nominated supervisor for a successful building company and I have just purchased a site to restart building for my own little company. I have completed many short courses (subjects such as demolition and asbestos identification), TAFE certificates in surveying, civil engineering and chemistry (from when those certificates represented good value), a diploma in building, a bachelor degree in commerce and a master's degree in engineering management. I have 40 years of building industry experience. I also have completed the Cert IV 40116 in teaching and training. I have passed 4 separate police checks of my character to permit me to teach at TAFE.

Doing the same thing and expecting a different result

Doing the same thing and expecting a different result is the definition of insanity! With this shameful record of failure under the control of the Bureaucracy, the government's proposal to impose dictatorial bureaucratic control of the industry is insane. Our governments have repeatedly undertaken legal and administrative bureaucratic reviews of the building industry and (surprise, surprise, surprise), the bureaucracy has recommended ever more legal and administrative bureaucratic control of the industry and the situation becomes ever more misfunctioned. Commonly, the Bureaucracy has called for submissions regarding their current review. Yet, the Bureaucracy ignore, (and even fail to report) comments that counter their agenda of ever more national socialist control of the building industry.

Home Warranty Insurance

I have been lobbying our politicians and the media on reform in the building industry for more than 10 years. Yet, our political "representatives" continue to be led by the Government Bureaucracy towards ever more national socialist control of the building industry. The building industry and its clients have suffered for more than 15 years under the socialist ownership and control of the Home Warranty Insurance Scheme (by whatever name it is called today). That industry is owned and controlled by the government! As a result, countless home owners have not been insured, (as is exemplified by the Opal Tower), and countless more have been grossly under insured. As I have reported countless times, that a Bureaucrat from the Department of Finance stated in a government presentation to a meeting of the master builders association that he wants:

1. The big builders to survive because the Bureaucracy can imbed someone to control them;
2. The middle-sized builders to survive, but to work for the big builders on a for wages rate; and,
3. The little builders to go broke.

I named that Bureaucrat to the minister in an email those 10 years ago. Of course, I received a letter saying that they have received my communication and nothing more happened.

I have observed that the big construction companies win fixed price contracts with the government which are later converted to cost plus contracts which effectively make those big construction companies effective branches of the Bureaucracy. The resultant waste and inefficiency is a huge cost to the taxpayers.

The Bureaucracy is committed to the socialist principle that the building industry must be ever more controlled by the Bureaucracy, principally by regulation, (which is Bureaucrat made law that is not reviewed by Parliament or passed by Parliament), Bureaucratic licencing and complete socialist ownership and control of the Home Warranty Insurance Industry. The government's commitment to this national socialist system is why we have the problems that we have in the building industry.

The Home Warranty Insurance Industry worked well for many years until the government stole some of the property rights of the people. The industry adjusted their insurance rates accordingly, causing a reduction in building activity. Two directors of one insurance company sought to improperly take advantage of the situation and were found guilty of crimes and were sentenced to jail time. I stress that even so, home warranty insurance WAS available. Though, it was expensive because the government imposed onerous obligations upon builders and insurers.

The Bureaucracy took that opportunity to convince their captive ministers to nationalise the Home Warranty Insurance Scheme, (that is, replace the free market in that insurance with socialism in that industry). Naturally, the socialist Home Warranty Insurance Scheme is a Ponzi scheme that has never made money and fails miserably to provide adequate insurance to home owners.

It is illegal to buy home warranty insurance in NSW (and probably Australia) except from the hopeless government insurer. So, I am told that the banks require the big builders to purchase adequate home warranty insurance in Switzerland to protect the banks.

If the government wants to impose insurance requirements upon the building industry then:

- Those requirements should be affordable; and,
- People should be able to buy that insurance on the free market.

Returning socialized industries to the free market that must comply with appropriate laws (without regulations) and such that the people can bring actions against misbehaviours ensures that that industry and its customers will prosper.

Licenses or Professional Recognition

For more than 25 years, the peer recognition of builders has been replaced by bureaucratic licencing. Licenced builders are controlled in a national socialist manner. We must seek permission for every project. I am not refereeing to development controls. I am referring to permissions to work issued to us, or denied us by the Bureaucracy. We are constrained from building projects by the Bureaucracy, irrespective of the peer recognition of our skills, capacity or the desires of informed clients to engage us. So, the building industry of today has the problems of today BECAUSE of the bureaucratic socialist ownership control of the Home Warranty Insurance industry and the national socialist control of we builders, NOT because of our freedom.

The licencing of builders has ensured that:

- people who the peers in the industry consider to be unsuitable to be builders are given builders licences; and,
- people who the peers in the industry consider to be suitable to be builders are not given builders licences.

This is always the case with licencing. However, our children are taught in government schools or private schools that must teach the government syllabus that government and bureaucratic regulation and licencing is the way to solve problems. No, it is the way to destroy industry.

I have seen countless times that the bureaucracy awards licences:

- for political reasons, (for example; illegal migrants are helped to find work by being granted licences);
- for bureaucratic reasons to expand the industry control of compliant people; and,
- for personal profit.

Oh, didn't you realize that government regulation and particular government licencing automatically create bureaucratic abuse of power and bureaucratic financial corruption? It is ever so.

Ever since licensing was introduced people who are not committed to honourable conduct have increasingly moved into the industry and people who are committed to honourable conduct have been constrained from progressing in the industry. Is it any wonder that the building industry has misconduct?

The solution to this problem should be modelled upon the accounting industry. Even our socialist governments, (whether Labor or Liberal), would not licence accountants because that would send our nation into bankruptcy within a monthly reporting cycle. Accountants are recognised by their peer group associations according to their skill levels. We who engage accountants engage an accountant with the skills necessary to our needs. We pay an appropriate fair market rate. Accountants must comply with relevant laws and we can exercise our legal rights to sue or bring criminal actions against misbehaving accountants as we choose, (which is what the founders of our nation wanted).

Licensing of builders should be replaced by recognised by their peer bodies. Builders should be free to work in a free market that must comply with appropriate laws without regulations and such that the people can bring actions against misbehaviours ensures that that industry and its customers will prosper.

Like all socialist bodies, the bureaucracy professes the lie that (in this case) the building industry has failed because it has been allowed to operate as a free market. That is socialism talking. The opposite is true. The building industry has been faltering because it is increasingly controlled in a national socialist manner by licensing, regulation and bureaucratic procedural controls.

Vocational Education and Training (VET)

Then there is the Vocational Education and Training (VET) Legislation. Please read the act. The VET legislation gives the Bureaucracy has the absolute authority to permit people to teach or not to deny them the right to teach. So, if a radio announcer with say 20 years of experience wanted to teach radio announcing that announcer would be denied permission to teach that course of study.

Also, the VET legislation gives the Bureaucracy the absolute authority to decide what teachers may and may not teach. For example, the Bureaucracy would deny a teacher permission to teach that the scientific principle states that a theory gains support by making predictions and for those predictions to be confirmed by events, yet the climate change theory has failed all of its predictions. That denial is obviously to support the Bureaucratic socialist agenda.

There is general acceptance that under the VET system the standard of education in all fields has declined hugely. I certainly confirm that to me the case in building, both in the technical and bachelor level. I suspect that it has also declined in the master's degree level. Certainly, there is general acceptance in the building industry that the trades people and professional people do not have the skills that were once expected of those people. About 7 years ago, two other builders and I gave testimony to the Commissioner for Small Business that the standard of tradespeople training has declined unacceptably. In my opinion that decline has continued.

Again, the solution is to replace the socialist educational system with private educational bodies. The government educational bodies have continually reduced their educational achievements. The private educational bodies must teach to the government-imposed training and so are mere national socialist controlled organizations.

Of course, the Bureaucracy would point to the fraudulent training scams of some private companies. Those scams took advantage of government programs and of their incompetent bureaucratic regulators. The

Bureaucracy (in this case the Police) failed to prosecute those companies for fraud, (surprise, surprise). Instead the Bureaucracy used those cases (of its own failures to prosecute) to justify imposing the national socialist control of education through the VET legislation.

Then there is the issue of recognition of prior learning under the VET system. That is the most lucrative avenue for corruptly purchasing qualifications.

The solution is to replace recognition of prior learning with peer recognition of skills.

Regards,

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