



# Australian Citizens Party

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## MEDIA RELEASE

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### **Australia needs a royal commission into construction boom crimes**

With a second high-rise residential tower in Sydney now forced to evacuate due to structural weakness, Australia needs a royal commission—or similarly empowered inquiry that can't be rigged—to examine the crimes that have been rife in the construction boom. All levels of government have ignored these crimes, but they are now putting people's lives in danger.

In an important video post on the *Interests Of The People* YouTube channel, "Australia is full of high-rise death traps", Sydney real estate expert Edwin Almeida, banking and housing market expert Martin North, and economist John Adams lay bare many of the construction issues that have made thousands of buildings constructed in the boom unsafe. As well as structural integrity, many buildings have issues with dampness and mould that expose the residents of these million-dollar apartments to respiratory illnesses.

Click here to watch ["Australia is full of high-rise death traps"](#).

A related issue is the epidemic of silicosis among stonemasons, 135 cases in Queensland and Victoria alone, from unsafe practices ignored in the boom in construction and kitchen renovation.

Following is an excerpt from an article in the 19 June 2019 *Australian Alert Service* by Richard Bardon, entitled "Housing's post-election 'recovery' is a dead cat bounce", which reports more details on the high-rise death traps:

The leading edge of the property crash is Sydney's residential high-rise sector, which has leapt back into the spotlight with the structural failure of prestigious inner-Sydney apartment complex Mascot Towers. Like Opal Tower last Christmas Eve, Mascot Towers on 16 June suffered a major structural failure that prompted an emergency evacuation of its residents, many of them with nothing more than the clothes on their backs—some were even forced to leave without ID, money or essential medications, and to date have not been allowed back to collect them. According to the next day's *Australian*, "Documents from the Mascot Towers owners' association revealed that concerns over the building's structural integrity were raised months ago at a strata meeting, but nothing had been done to address them. ... Questions remain unanswered as to the cause of the cracking—whether it was materials used in the build of the decade-old apartment block or the construction of a new apartment block next door, which according to one resident caused the Mascot Towers to 'shake like an earthquake' when it was being built this past month."

Mascot's failure has sparked renewed warnings that hundreds of thousands of units, including those currently under construction, could soon become (and implicitly already are) essentially worthless as the consequences of shoddy construction take hold. Stephen Goddard, spokesman for strata (i.e. high-rise) owners' advocacy group the Owners Corporation Network (OCN), told ABC News that no new apartment building should be assumed to be built to code, and that 80 per cent have some sort of structural defects; but many don't result in failures until after the six-year statutory warranty expires, leaving owners to foot the bill. "Anybody looking to purchase in a building less than 10 years of age is foolish because the defects will not have yet surfaced", Goddard told ABC. "Don't buy anything less than 10 years old. You never buy off the plan, it's unsafe to do so." Furthermore, Goddard (who is also a strata lawyer) told ABC, the High Court has recently found that developers and builders owe no duty of care to owners' corporations, because the latter "do not exist at the time of registration of the plan." Ultimately to blame are state governments, which set and are supposed to enforce building codes, but instead deregulated the certification process into virtual non-existence in exchange for a cut of the profits. "Most of our parliaments are on a sort of junkie hit when it comes to the building industry", Goddard said. "The more they help the builder build, the more stamp duty they get, the more council and water rates come in." The result is that Sydney's shoddily built apartment blocks "will become toxic, just like Opal, where you won't be able to sell out of it because people know of the structural defects", Goddard said. "For many years, ever-increasing property prices have 'wallpapered' over the issue. We're now seeing owners confronted with the possibility that their investment ... may be lower than their outstanding mortgage." This is the negative-equity debt-trap into which the government and regulators seek to lure more hapless Australians.

Veteran Sydney real estate consultant Edwin Almeida, who has been warning against the dangers of

badly built high-rises nationwide for years, says many of the same problems extend to low-rise (2-3 storey) apartment buildings and even standard houses. In his 16 June discussion with Martin North and John Adams on [“Australia is full of high-rise death traps”](#), Almeida said that the combination of cheap, low-quality imported building products and electrical cable, shoddy construction methods to shave costs—especially where all-important drainage and waterproofing are concerned—and a deregulated certification process that lets it all fly under the radar has left Australia littered with “high-rise death traps”, as well as normal houses, full of dangerous structural defects, electrical fire hazards, potentially deadly mould infestations (the “silent killer”), flammable cladding and asbestos-contaminated interior wall panels. The three experts agreed that nothing short of an immediate royal commission, at the national level, is needed to address the issue. “We need to have the engineers brought in”, Adams said, “to check the status of these buildings. Are the residents safe? Because I think the first and foremost priority has to be public safety.”

(End of excerpt.)

The mounting problems in the construction sector are a symptom of the insane housing bubble that the banks, the RBA and APRA, and the government have deliberately inflated. The banks have made massive profits from it, by trapping millions of Australians in effectively unpayable debt; the regulators and government have used it to pretend Australia has enjoyed good economic growth, when in reality the bubble has completely distorted the economy and exposed Australians to devastation when it inevitably bursts; and all levels of government have milked it for tax revenue, to the extent they have deliberately ignored the obvious crimes and shortcuts that now threaten people’s lives.

Consequently, besides being threatened by the financial consequences of the housing bubble, including negative equity, repossession, a financial crash, and policies such as bail-in to steal deposits to prop up failing banks, many Australians also face losing their homes to structural failures, with very little they can do about it. As well as a proper inquiry that can send people in the industry and their accomplices in government to jail, it is urgent that Australia enact the [CEC’s policy of a moratorium on all home foreclosures](#), until the debt and now liability problems can be sorted out.

[Click here to sign the new petition to the Australian Parliament: Hands off our bank deposits—stop ‘bail-in’!](#)