



Speech by

Hon. JUDY SPENCE

MEMBER FOR MOUNT GRAVATT

Hansard 24 November 1999

MINISTERIAL STATEMENT

Termites

Hon. J. C. SPENCE (Mount Gravatt— ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (10 a.m.), by leave: In recent times the Queensland Building Services Authority has accelerated its pre-emptive work of protecting Queensland householders from the potentially devastating threat of subterranean termites. The problems posed by these termites are serious and widespread. Their power over our lives has been underlined recently by some high profile cases, and the member for Archerfield deserves credit for her work for a group of constituents with a termite concern.

Unfortunately, the threat of invasion by subterranean termites is a fact of life in Queensland. For that reason, the business of termite control and eradication is potentially lucrative. Some five years ago, highly toxic and environmentally damaging organochlorides, such as dieldrin and Chlordane, were banned from use as the main termite poisons. The new chemicals are less harmful to the environment, partly because they are not as persistent and so should be renewed on a more regular basis. They are just as effective, however, provided they are applied in accordance with the relevant Australian Standards. Because the chemicals are expensive, some unscrupulous operators have abused the system to enhance their profit margins and undercut competitors who play by the rules.

The BSA licenses pre-construction termite controllers and is aware of the potential for unscrupulous practices. As I informed the House in September, the BSA won its first prosecution against a pest controller in August. Two other prosecutions against that pest controller are under way. The BSA has been concerned that other businesses are becoming as much a pest as the creatures they purport to control. Some may be knowingly diluting the chemicals to a level where they fail to prevent termite raids or applying insufficient quantities of chemical to act as an effective barrier to these industrious insects.

The authority recently began a random audit of pest controllers, and the results have prompted it to launch three more prosecutions. Members will appreciate that I am not able to go into the details of cases yet to be finalised. The licences of a number of supposed pre-construction termite controllers are now under question. In addition, I have asked the BSA to examine whether licensing should extend to post-construction treatment and inspection services, and whether pest controllers should be required to have professional indemnity insurance. This in no way indicates that the BSA's insurance scheme is failing to help innocent casualties of termite infestations. On the contrary, the Queensland authority's insurance scheme is the only home warranty insurance scheme in Australia to provide "no fault" cover for termite damage.

The member for Noosa exposed his own flimsy understanding of the situation when he raised the insurance issue in the House on 10 November. He completely missed the point—the point being that insurance coverage for termites has improved since 1994. Householders who have built since December 1994 now have the most comprehensive protection in the nation. "No fault" insurance cover means that the owner is covered even though builder negligence cannot be proved. Only those few home owners with policies prior to December 1994—policies that expire in the next 18 months—are still covered only where builder negligence can be proven. I might also add that the old organochloride poisons were still being used when the homes covered by these policies were built. That is why the BSA made a one-word adjustment to its web site—because things have gotten better.

In seeking to score a cheap political point without doing the research, the member for Noosa shone the spotlight on the superiority of the BSA home warranty scheme. The warranty scheme is in good shape. It is in no way jeopardised by claims for termite damage. Of the 9,500 disputes notified to the BSA in the past two years, only 245 involved termites. About half of these disputes were settled by the contractors, so consumers did not need to tap into the insurance scheme. The scheme has been designed by actuaries so that most of the risk exposure is re-insured.

Queensland home owners covered by the scheme need have no concern whatsoever that it is about to run out of money or that the BSA will resist legitimate claims. The vital thing for Queensland consumers to bear in mind is the need for regular checks on their homes. Whether they live in Kenmore, Cairns or Charleville, they should have an inspection by a reputable pest controller at least once every 12 months. There is no need for unnecessary alarm or sensationalism regarding this issue. Termites can be controlled if people understand the risks and take the right precautions.
