



Speech by

# Hon. Robert Swarten

MEMBER FOR ROCKHAMPTON

Hansard Thursday, 18 June 2009

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## MINISTERIAL STATEMENT

### Home Warranty Insurance

**Hon. RE SCHWARTEN** (Rockhampton—ALP) (Minister for Public Works and Information and Communication Technology) (10.19 am): The Building Services Authority home warranty insurance scheme is leading the charge of protecting consumers and contractors during these challenging times. The BSA so far this financial year has received 5,135 complaints from consumers regarding defective and non-compliant building work. The BSA receives on average 5,500 complaints annually. Of these complaints, 1,230 requests to rectify have been put to contractors and 730 formal directions to rectify have been issued.

However, when things do not go right consumers are thankful that here in Queensland we run the best home warranty insurance scheme in the country—something which was saved from the opposition's plans for privatisation by the now Leader of the Opposition. The Queensland scheme is truly unique. It is the only home warranty insurance product that offers first resort insurance. Homeowners are able to claim for non-completed work or defective work without the builder having to be insolvent. In every other state, consumers must fend for themselves in the private arena as claims are only accepted as a last resort where the contractor is either dead, has disappeared or is insolvent.

To date this financial year the BSA has paid out \$27.8 million under the scheme, and this includes \$11.7 million in non-completion claims, \$8 million in defective work and \$8.1 million in subsidence claims. From 1 July, the Queensland Home Warranty Insurance Scheme will provide additional cover when a homeowner has lawfully terminated a contract for residential construction work following default by the building contractor and suffers loss as a result of the work being damaged or destroyed because of fire, storm, forcible removal or vandalism. I thank the member for Mermaid Beach for his input into that.

The Queensland building industry regulator is no toothless tiger. This financial year the BSA has excluded 35 individuals for life, plus 82 individuals and 61 companies for five years for financial mismanagement. Nowhere else in the world, as far as I am aware, could any government claim to have done that. The BSA has also banned one individual this financial year for tier 1 grossly defective building work which could lead to death or serious injury.

These results show the BSA is working hard to achieve positive results in the building industry, ensuring \$12.5 billion worth of work under the home warranty scheme each year. There is no other state in Australia where the insurance scheme is working so well for consumers and contractors, and that is why the Queensland system is the envy of every other state in Australia.