Question on Notice
No. 297
Asked on Tuesday, 26 March 2019

MR A POWELL ASKED MINISTER FOR HOUSING AND PUBLIC WORKS; MINISTER FOR DIGITAL TECHNOLOGY; MINISTER FOR SPORT (HON M DE BRENNI)

With reference to the requirement for painters to charge insurance, payable to Queensland Building and Construction Commission, on projects valued at $3,300 or more—

Will the Minister advise (a) why the threshold is so low in comparison to other jurisdictions, (b) why, when the premium rate is the same as for building works, the work is only covered for six months rather than the six years that building works receives and (c) why it is compulsory?

ANSWER

The threshold for insurable work under the Queensland Home Warranty Scheme was established to provide maximum protection for consumers and to act as an incentive for licensees to complete building work to the required standards.

The current $3,300 threshold is considered to provide sound consumer protection. During consultation on the Queensland Building Plan discussion paper in 2017, feedback was sought on the current threshold and the majority of respondents agreed that the $3,300 threshold is appropriate.

Generally, painting is considered a non-structural defect (which is more easily identified in a shorter period of time) and as such is covered for six months after the work is completed.

This is because most painting, such as painting of internal walls, can be susceptible to wear and tear. As a result, providing a substantially longer coverage timeframe could result in issues proving whether painting is defective or subject to normal wear. Also, these defects are superficial and easy to see, and will not have an impact on the structural integrity of the building, and so a shorter warranty timeframe is justified.

Structural defects are covered for a longer period (generally for six years and six months after the cover commences) as it can take longer for them to become apparent. In some cases, painting can have a structural impact on a building. A failure to protect an external surface against salt-laden air can cause corrosion of metal supporting beams and cause structural impacts. This defect may not become apparent for some years after the painting is done. In these cases, the longer coverage timeframe is appropriate.

The Queensland Home Warranty Scheme is compulsory, because for many Queenslanders their home is their greatest investment and asset. It is essential home building is adequately insured, to avoid financial loss to people who build or renovate their homes.