

Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Senators

Submission Regarding: Australia's mandatory Last Resort Home Warranty Insurance scheme

a. the appropriateness and effectiveness of the current mandatory privatised Last Resort Builders Warranty Insurance scheme in providing appropriate consumer protection and industry management;

Clearly the warranty Insurances does not work as consumers just can't claim on it, that is a given, and it is said that there have been no claims, and considering the cost of it that is a disgrace. But more importantly it has been promoted and everybody, builders and consumers have been told it is consumer protection we must have for the good of the industry.

Those responsible for this belief that are our industry managers being the Building Commission and the Trade Associations should be held accountable for this deception, because all of them have failed the Registered Builders, and the Trade Associations have completely let down their members.

b. the reasons for and consequences of the ministerial decisions relating to the removal of consumer protection provisions in respect of Corporations Regulation 7.1.12(2);

I don't know enough about this point but if there has been any wrongdoing at all by anyone involved then they should be held fully accountable because far too many people have been really hurt, lost their businesses, had family break ups, and some have even taken their lives, and that's not even to mention the terrible circumstances I have read about in regard to consumers trying to make their insurance policy work.

c. the ramifications for the future supply of this insurance product following the draft recommendations from the Productivity Commission report released in December 2007;

No, just get rid of it. It just doesn't work for consumers or builders. Basic common sense and logic must apply.

d. any potential reforms and their costs and benefits which may lead to appropriate consumer and builder protection and improved housing affordability;

Do what Tasmania has done; it's good for the management of the industry, and the consumer as well. Or bring in the whole Queensland scheme but on a national basis.

e. any related matters.

If any of the people who have been responsible for these past years are found to have done the wrong thing then they should be held accountable to make sure this sort of thing never happens again because it has destroyed the building industry as far as I am concerned.

I have maintained my registration for this current year while I establish my new business, and I will then relinquish my licence and I am so pleased to be out of the building industry. I was very fortunate to have done my apprenticeship before HIH came along and did enjoy some great years, but I would never suggest to any young people now to do an apprenticeship in building, anyway they wouldn't be able to find anyone to take them on since warranty because builders are not sure if they will have a continuing business themselves due to the uncertainty under this warranty scheme.

For such a big and important industry to Australia it is hard to imagine how it could be treated so badly, and people turn a blind eye to the obvious problems.

Christopher Dwyer

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