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## **SUBMISSION INTO COMPULSORY BUILDERS WARRANTY INSURANCE**

After the end of a matrimonial dispute, I didn't believe there could be anything else so distressing in my life again. How wrong was I. I have a building dispute that has financially and emotionally ripped me apart. All I wanted to do was build a new home. The dream of owning my own home has turned into an absolute disaster. I am now 51, and will never attempt to build again. This matter has been going since 2005 some 3 years ago.

At the end of 1995, after having a successful welding business, I was divorced and lost all of my assets to my ex partner. I was left with just enough money to buy a work vehicle so that I could use it to build up my business again. In 2003, I found that I had enough money to place a deposit on a home to build for me and my young son. I needed to provide a roof over our heads and I was in a position whereby I could build. The house still remains with structural defects. Much money has been spent trying to alleviate cracks and problems that the builder has refused to rectify, even though the final payment was made.

In 2004, I engaged \_\_\_\_\_ to construct a home in a new and developing area in an outer suburb of Melbourne. I signed the documents, paid the building insurance and the construction began. I was unaware until later on that the insurance that was added to the building price, was unrealistic and impossible to claim on. The builder was notified of the defects and cracking. After having no satisfaction with the builder in regard to having the defects rectified, I contacted Consumer Affairs Victoria and the Victorian Building Commission. They completed investigations, however, they recommended that I take the builder to court to get relief or orders from the courts. I contacted Lumley Insurance in Melbourne who took over my Insurer Australian Home Warranty when my policy was taken out. They were only interested in being kept updated on the matter, but they referred me to the policy that unless the builder was dead disappeared or insolvent, they could not assist me. Therefore, I have no avenue but to take the builder to court in a lengthy and costly dispute, which I cannot afford. How can I expect to take on builders or insurers? Justice at this cost after paying insurance is oppressive.

As a newly single father, with a kindergarten-aged son with multiple disabilities, including cerebral palsy, I dreamed of providing a home for us to live in peace and harmony. I lived in and out of other people's homes until I could afford to save a deposit to have a home build for us. I have had to work long hours to provide a decent life for both me and my son, and money that I should be using to rehabilitate my son has been used toward having my home repaired. My son requires regular hospital and physiotherapy sessions and he needs a home to live in that is safe and complete. Yet after three years, the repairs to my home have not

been done, and the process of having these repairs completed has been lengthy and costly. I have spent a lot of money on rectification of the dwelling.

It is a disgraceful situation, that as a low income earner and a single father, that I have paid my hard earned \$1500 for building insurance on a \$160.000 dwelling that I cannot ever claim and I still have a home with defects that nobody has been able to help me get a resolution, except for expense court costs which I cannot afford. This matter needs urgent consideration, as I was never provided with a product disclosure document and wasn't aware of the limitations of insurance, until the defects appeared and I carried out some investigations. What is worse, is that I never had a choice of not paying for this worthless product.

Please consider the above in your Senate inquiry into Compulsory Builders Warranty Insurance.

Yours truly

**Anthony De Donato**