

143 MAIN STREET, (P.O. BOX 443) BAIRNSDALE, VIC. 3875
TELEPHONE: 03 5152 3491, FAX: 03 5152 2023
EMAIL: craig.ingram@parliament.vic.gov.au
WEB SITE: www.craigingram.com



LEGISLATIVE ASSEMBLY
PARLIAMENT HOUSE
MELBOURNE, VIC. 3002
TELEPHONE: 9651 8911 EXT: 8754

CRAIG INGRAM MP

MEMBER FOR GIPPSLAND EAST

Tuesday, 15 April 2008

Mr John Hawkins
Committee Secretary
Senate Standing Committee on Economics
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Inquiry into Australia's Mandatory Last Resort Home Warranty Insurance Scheme

I would like to make the following observations on the impact of the last resort home warranty insurance scheme and my experience in Victoria.

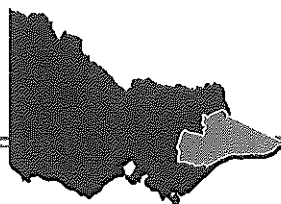
Since 2002 Victorian home builders have paid three quarters of a billion dollars for builders warranty insurance that has failed to protect consumers, has failed to protect builders, and has placed Victorian home builders at the bottom of the home affordability ladder.

The current last resort home warranty insurance scheme makes a mockery of consumer protection as consumers are paying millions of dollars for a product which fails to provide the necessary safeguards and it is not until consumers really need the protection of the scheme they find it is totally inadequate.

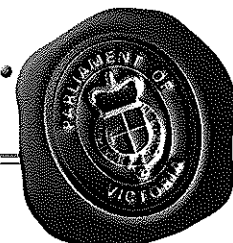
I support the draft recommendations contained in the Productivity Commission report 'Review into Australia's Consumer Policy Framework' released in December 2007.

The Productivity Commission noted that 'over 30 reviews in the past 10 years have failed to deliver effective protection and redress for consumers having a home built or renovated' and it is time for the Australian, State and Territory Governments to take action and implement a framework that will address the inadequacy of current home warranty insurance.

I have raised this issue over a number of years and am disappointed the Victorian Government has failed to adequately address the need for an effective scheme to protect consumers or builders.

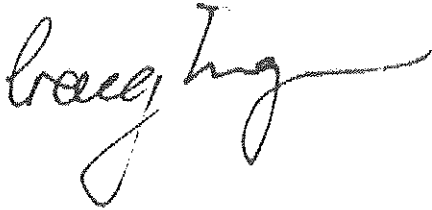



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I ask that the Senate Economics Committee recommend the removal of the current last resort home warranty insurance scheme and suggest that it be replaced it with a workable system of consumer protection and industry management. I believe that the implementation of a framework analogous to the Queensland model would achieve the outcomes that would meet the needs of both industry and consumers.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Craig Ingram', with a stylized flourish at the end.

Craig Ingram MLA