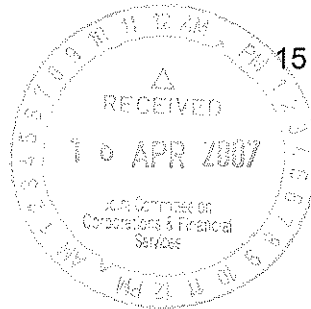


Office: Bairnsdale  
Our Ref:  
Your Ref:

**GSI**  
**GIPPSLAND SECURED  
INVESTMENTS**

The Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 8100  
Parliament House  
Canberra ACT 2600



15 April 2008

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AFSL 241373



Dear Committee Secretary,

Gippsland Secured Investments Ltd is a financial institution providing finance on the security of real estate mainly in Gippsland Victoria and has done so for over 37 years. During this period GSI has financed many housing projects and has developed an understanding of the building industry in its region of influence.

It has become quite clear to us that over the last six years the issue of Builders Warranty Insurance has become an ugly problem that the industry can ill afford, more particularly for the small builder who is finding it difficult to compete. Information provided to us makes it quite clear that Builders Warranty Insurance is totally inadequate for the protection of the owner, and a form of insurance similar to the Queensland model would be appropriate if it were to be established nationally.

The housing construction industry is a vital economic cog, more particularly for regional Australia where the employment through this most important industry in providing training and apprenticeships for our youth is fundamental to the stability and success of regional Australia.

We have been led to believe that a number of Builders in Gippsland have suffered financially as a consequence of the inadequacies of Builders Warranty Insurance, leading in some instances to their economic demise. This of course is unacceptable and needs to be remedied as soon as possible for the benefit not only of regional Australia, but the Nation as a whole.

John Stephenson OAM

Director  
Gippsland Secured Investments Limited

GIPPSLAND SECURED INVESTMENTS LTD.  
A.C.N. 004 860 057