

I have recently become aware that the Productivity Commission has held and inquiry into Consumer Policy Frameworks which has included some review/investigation of the home owner warranty insurance schemes.

Although probably too late to make a submission I would like to inform you of my case as an example of how poorly it works in NSW.

A potted history of my situation is.

- * In 2002 I entered into a contract with a builder to build a house.
- * The work was to be complete in May 2003
- * The work was defective and I sought an inspection from OFT. The inspection was carried out and the builder agreed to do remedial works.
- * The builder never undertook the remedial works.
- * I took the matter to the CTTT. Although I won the CTTT found some matters such as the termite control and sub floor brickwork adequate even though they do not meet the requirements of the DA and I cannot get an occupancy certificate for the house. I was awarded costs assessed at \$58,500 by the Supreme Court.
- * The builder did not pay.
- * I had to liquidate the builder before I could claim on insurance.
- * I claimed on insurance and the result was

Legal Costs - I have incurred costs to \$65,000 consisting of approx \$58,500 as assessed by the Supreme Court and \$6,500 to liquidate the builder so that I could submit an insurance claim. Vero have offered approximately \$7000.

Rent - I have incurred costs of approximately \$55,000 being the rent For alternate accommodation as I cannot get an occupancy certificate for the house. Vero offered nil.

Costs of rectification - Cost to rectify have been assessed by a quantity surveyor at over \$180,000. The insurer offered approximately \$42,000 based on time barring claims and matters not found defective by CTTT (eg Termite Control)

The position of Vero means that even though I won the CTTT hearing and was awarded costs I will be approximately \$70,000 worse off than if I had accepted the defective house and never sought consumer protection to have the house fixed or damages awarded. I now have no funds to fix it the house and cannot get an occupancy certificate. I also have no money left to progress this matter in the CTTT.

The matter has taken 4 and a half years so far and has resulted in myself and wife suffering from depression.

There are similar examples which have been in the press and presented To the Upper House Inquiry in NSW.

Can my case be considered in your Inquiry so that no one has to go through what I have been through and no one has to end up in the situation I am now in through the actions of a builder who simply set up business under another business name and continues to operate as a builder in NSW and QLD.

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