

Productivity Commission

10/3/2008

Dear Chris

Re:- Submission for Productivity Report (Building; Home Owners' Warranty)

Firstly may I apologise for the lateness of this correspondence as I have only just been alerted to your inquiry and hope you will consider my comments in your final report and in the spirit they are offered.

I can only reiterate the findings of government enquires, consumer affairs reports and an unprecedented number of complaints from both builders and consumers, the last resort home owners warranty insurance is a sham.

The only winners from this legislation are insurance brokers and insurance companies
The disruption to building efficiencies and the rising costs to the consumer with little or no consumer protection needs no further comment, but an offshoot to all this regulation is the power of insurance companies to control who can or cannot work within the building industry.

Forfeiting the right to work, as a building entity on financial grounds, rather than on competency must be addressed.

The courts have already ruled there is sufficient evidence that the modus operandi of insurance company assessment and the requiring of builders to underwrite their own insurance policies may not be legal, causing instability in consumer and builder confidence of a compulsory insurance scheme.

Finally, the Tasmanian Government must be congratulated in taking steps in rescinding the current Housing Indemnity Act and introducing a more equitable scheme.

Yours Sincerely

John Fulton.