

15.04.2008

To,

Committee Secretary
Senate Economics Committee

My name is Clinton Buckwell,

I own and manage a small business in Melbourne Victoria, "Individual Design and Construction Pty Ltd"

The scope of works I normally complete allows that I have exemption from obtaining a building permit; hence there are no checks and balances to ensure that I comply with any insurance requirements.

Due to these circumstances most of my Industry peers do not even attempt to comply with current Victorian state legislation Insurance requirements. The typical response is why pay approx \$300.00 for no possible return?

I have only been purchasing Builders Warranty Insurance in order to try to comply with current state legislation. It has no potential benefit to me, and because my business and I are both financially strong there is no possible way that the end consumer (the building owner) can ever make a claim on the insurance.

As such the present Insurance system only benefits the Insurer and any other parasitic building association that obtains commissions due to its existence.

Furthermore, it is my submission that the Insurance provided does not actually comply with the intention of the Domestic Building Contracts Act 1995 (DBCA)

The following are exact excerpts from the DBCA 1995

PART 1—PRELIMINARY

1 Purpose

The main purposes of this Act are—

(c) to require builders carrying out domestic building work to be covered by insurance in relation to that work; and

4 Objects of the Act

The objects of this Act are—

- (c) to enable building owners to have access to insurance funds if domestic building work under a major domestic building contract is incomplete or defective.

Nowhere does it state in the DBCA that a building owner can **only** have access to insurance funds for Incomplete or defective building work if the builder; dies, disappears or becomes insolvent.

This provision only seems to have changed when the major insurers went broke, due in large to their own inept behaviour.

Now I pay insurance on my clients' behalf that provides my clients' absolutely no real protection.

This **truth** would be in contravention to the verminous lies put out by the major building associations who have a financially vested interest to keep the present highly profitable schemes operating.

I believe that a scheme similar to the Queensland model has more merit in preserving the intended protection of consumers, albeit that many allied business association would financially suffer because of its demise.

Obviously the insurers would disagree with my beliefs as for years they have been collecting and counting the money, but rarely (should read extremely rarely) paying out, as such it is in their vested industry to keep this cash cow alive as long as they can.

The end result is no tangible benefits for the end consumer or builder alike.

Regards

Clinton Buckwell