MINISTER FOR LANDS, PLANNING AND THE ENVIRONMENT

ACTING ON CONCERNS RAISED OVER HOME BUYERS PROTECTION

19 June 2013

Minister for Lands, Planning and the Environment, Peter Chandler, said the Government will review building cover for home buyers after listening to concerns raised by some builders.

“The independent review will look at the Residential Building Cover scheme to determine the best outcomes for the industry and home buyers.

“On becoming Government the Country Liberals responded to concerns about lack of building cover for home buyers and on January 1 this year the Residential Building Cover package was introduced.

“We picked up the pieces that the former Labor Government had left and a quick response was necessary. There had been a long period of inactivity with the former Labor government sitting idle as building firms collapsed, leaving home buyers unprotected and out of pocket. Six builders had gone under since 2009 affecting 50 Territorian home buyers.

“We said the package would be reviewed after the first year, however, we will bring this forward after listening to various concerns from the building industry.”

Mr Chandler said the review would consider how well residential building cover had performed for the industry and consumers and potential modifications to reduce red tape, and it would look at past cases in which consumers were affected by lack of cover.

The Residential Building Cover scheme established a fidelity fund in the event of death, disappearance or bankruptcy of a builder, it established a panel to hear disputes, required builders to keep tangible assets of $50,000 and regulated building progress payments.

The package replaced the Home Building Certification Fund which only covered structural defects and did not cover consumers during building.

Mr Chandler said the review team would be made up of a consultancy firm and representatives from the Department of Treasury and Finance and the Department of the Attorney-General and Justice.

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