

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

29/03/2010

Master Builders Welcomes Decisive Govt Action on Building Insurance

The Master Builders Association of Victoria welcomes the State Government's decisive action on resolving the building industry's Home Warranty Insurance (HWI) dilemma.

Executive Director of Master Builders, Brian Welch, said the Government's decision to takeover HWI will provide certainty for builders and will ensure that consumers continue to be protected.

"For several months, Master Builders has been advocating State Government intervention in response to the announcement by three insurers that they were leaving the private HWI market," he said.

"Master Builders believes any credible reform of the current HWI model must deliver transparency, stability and be accessible to all currently eligible residential builders.

"The Government's proposed takeover of HWI appears to deliver on these important criteria.

"Master Builders is pleased to note that the Government has agreed to our recommendation to streamline arrangements for builders who have held insurance with a private insurer during the past 15 months. This will ensure minimal disruption to an industry stretched to meet consumer demand.

"Master Builders has aired its concerns to government that shrinking competition for private insurers and the possible shake-out of hundreds of small to medium businesses, as insurers cherry picked their customer base.

"Going forward, Master Builders will very carefully monitor the implementation of terms, conditions and premiums of the Victorian Managed Insurance Authority (VMIA) to ensure builder's rights are protected. We look forward to working with the Essential Services Commission (ESC) on the monitoring of prices during and after the transition period.

"Maintaining consumer confidence in Victoria's building industry remains a top priority for Master Builders. Today's announcement provides both consumers and builders with confidence that the situation is being managed professionally by the State Government.

"Master Builders continues to support the existing deregistration powers held by Victorian government regulators (such as the Building Commission) in regard to policing building activity. However, we encourage further reform to the dispute resolution process," he said.

Master Builders represents approximately 4,400 domestic builders and subcontractors within the Victorian residential building sector.

ENDS

Further information: Brian Welch, Executive Director, 0411 501 075

Media enquiries: Greg Haraldson, Media Adviser, 0438 427 766, gharaldson@mbav.com.au

www.mbav.com.au