

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON ACCREDITATION OF BUILDING PRACTITIONERS MET AT DEVONPORT, FEDERATION ROOM, UPPER LEVEL ON 31 AUGUST 2006

Mr GRAEME SAWARD, DIRECTOR, SAWARD'S BUILDING SERVICES, AND Mr BRUCE KEENE WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Harriss) - Thanks gentlemen and welcome to this session of our hearings. We commenced in Hobart yesterday and we have both of your written submissions. Members have had the opportunity for a couple of weeks to have familiarised themselves with what you are saying in there and we are obviously now able to take your further verbal evidence in support of your submissions. I, just by way of introduction, mention to you that because the Director of Public Prosecutions is still considering whether there is a case to answer in regard to the agreement signed between Bryan Green and John White we will be steering clear of that issue until the DPP has completed his deliberations. Your submissions don't go to that issue anyway. Just in case you wanted to relate to that in any way, we want to indicate that we cannot take evidence in that area at the moment.

Your submissions clearly talk about the TCC scheme that has been in place, and your criticisms of it. So please feel free to add to your written submissions in any way you see fit right now and then we will ask questions.

Mr SAWARD - We have come along together and bat off each other. Effectively, Graeme and I have felt quite strongly about this whole issue since it was implemented. I was very disillusioned. I looked forward to the Building Act 2000 coming in and what it was going to do for me as a longstanding contractor but it has completely worked against me, as far as I am concerned. I have drafted a further letter for today. What I would like to say immediately is that prior to the State elections both Graeme and I did try to get appointments with Bryan Green. I specifically wanted to discuss with him the impact of this and how it was affecting, fully aware that there was an election coming up. I felt that he should be aware of how it was fitting with the industry. Under no circumstances at all were we allowed to have a meeting. We really did try hard, quite a lot of times prior to and after the election. Yet clearly Brett Whiteley was happy to talk about it and had a very good handle on the whole thing, on housing indemnity, as did Kim Booth. They were more than happy to discuss things at any time but we could not get near Bryan's office for love nor money, and we probably know why at the moment.

With regard to the fees with the TCC, I was firmly of the opinion, as were quite a lot of other builders I had talked to, that the fee was going to do us for three years. We had a function at the Civic Centre, which the Master Builders Association put on, where everybody did their paperwork. We had already sought and had achieved accreditation as MBA housing members and that was simply to fit us better into this new model. I would say everybody in that room clearly said, 'Gee, look at the fees.' We anticipated and were told that they would be doing this for three years. In fact, when I received my next account, 12 months later, I thought, 'How can they justify this?' We had received a newsletter and a couple of stickers for the car and that was it. There was no contact.

Nothing had changed in my role as a builder. All this information that we now have to supply to CGU Insurance absolutely gets up my nose. I cannot think of any industry or profession that has to supply all of that information which I have set out in that letter in order to gain a right to continue what I have been doing for 25 years. At the end of the day, they are a last-resort insurer. When you look around the rooms of MBA meetings or trade functions, all the builders are around my age and older. I am 46. I have had some quite bad health in recent years. My concern is that the insurer's biggest issue, really, once they are satisfied about our assets, will be our health, in order to maintain it. That is the issue they are going to be paying out on - our health. I think they have their teeth into this to such an extent that they are really making rules to suit themselves. I am disappointed.

The other thing of course, and it really is appalling, is that after a builder provides all this information to CGU, it does worry me where this information ends up, whether it is safe or whether identity theft is going to be the next issue, because it's all there. It is open to anybody, and once you have handed it on you never know where it is going to end up. Once you've been assessed with CGU and you are signed off, this business of having to pay them \$220 12 months later if you haven't accessed the scheme, in order for them to sign you on so the TCC will accept you as an accredited contractor, can only be construed as a bribe as far as I am concerned. It just doesn't relate to anything. As far as it trying to be construed as a commercial decision, we are running around flat out trying to operate professionally and doing free quotes. I would like to send a bill for \$220 to a few of my clients, so that worries me a bit.

In short, I personally don't think I can continue in the industry under the present scheme. I refuse to hand all this information over to a last-resort insurer.

Mr WILKINSON - As I understand it, there is the eligibility continuance fee, and that's where it says the fee is applicable to those contractors or builders who require continuation of the home warranty insurance and have not purchased a job-specific policy during the 12-month period from the date of the eligibility confirmation.

Mr SAWARD - That's right.

Mr WILKINSON - What is this job-specific policy?

Mr SAWARD - If I were to build a new home for you, that is a job-specific policy for your house. If I furnish all this information to CGU, they sign me off as being eligible. That eligibility is for 12 months, and then the next year I furnish it all again. They assess me and I am eligible for the next 12 months. At the moment, I have been sub-contracting to Graeme for quite a while. If I do my own work, and if I don't take out a job-specific policy - which says you are not doing a job of your own - you are no longer eligible. The TCC will only accredit you if CGU say you are eligible, so they've got you over a barrel; they are saying, 'I want \$220 otherwise you're out of business'.

Mr WILKINSON - But if you have a job-specific policy you don't need to update that continuation fee, is that right?

Mr SAWARD - That's right. You don't have to pay the fee, but the way the industry fluctuates and where we move with our work do not always necessitate that you need to take out the insurance.

Mr KEENE - I have been working for an owner/builder for about eight months. It is looking very likely that I'll come into that category this year because I haven't had a job-specific policy in the 12-month period. I am probably not going to have one between now and Christmas, so there will be the 12 months gone. It is the insurance company just looking for extra money.

Mr WILKINSON - So if you, as a builder, build a house for me you would have this job-specific policy. Is that correct?

Mr KEENE - Yes. That policy covers you for six years, which is required under the act.

Mr WILKINSON - Yes, but if you are working for somebody else, sub-contracting for somebody else, there's no job-specific policy. Therefore to be covered for negligence or whatever, you have to have this continuation fee. Is that right?

Mr SAWARD - Yes.

Mr WILKINSON - Otherwise you are not accredited.

Mr SAWARD - Otherwise you're not accredited. Quite simply, if you don't take out a housing indemnity policy with CGU in a 12-month period, then you aren't eligible the following year. Some of these homes and jobs are quite involved these days, and they can take you through that period, and at the end of it you've got to give the insurer \$220.

Ms THORP - When the Building Act came in, how did you feel about it at the time, what were your expectations of it, and how you think it should work? So if you were running the show and you could say, 'Right, this is what the Building Act should cover and this is how it all should be accredited and run', what would work?

Mr SAWARD - I think the way it is structured at the moment is very consumer-orientated. I think the ability of the builder to work within it has been lost or not considered. There is a strong push to get rid of the owner/builder. At the moment the amount of owner/builders in Tasmania is unprecedented. They have gone through the roof.

Ms THORP - It's over 20 per cent, isn't it?

Mr SAWARD - No, it is huge, isn't it? There is a massive increase in the number of owner/builders. In these cases the owner/builder is probably cashed up, doesn't need to access funds from a bank, and can make a sensible decision as to who they are going to get to build their house. They are not actually chasing the cheapest quote. They are saying, 'I like that bloke, I will get him to build it, I have the funds. Why do I have to pay an indemnity policy that I don't feel I'm going to access or get value out of?'

If the builder is reputable and he doesn't need to go to the bank, if he wants a quote from the builder, then under this law he has to pay CGU or an insurance company the

premium. The owner/builder is saying, 'I'm not going to pay the premium and I will go down as an owner/builder instead', and that is what is happening.

At the moment there are a lot of builders working for owner/builders, essentially on a 'do and charge' basis. There is no risk; you are not going to go broke on a do-and-charge job, I wouldn't think. This system, I believe, has created that amount of owner/builders in the market.

Ms THORP - So you are saying that the arduousness, if you like, of having to comply is driving people into an owner/builder situation to avoid it?

Mr SAWARD - That's right. I personally believe they are, yes.

Mr KEENE - Yes, most definitely.

Ms THORP - What is the risk with that?

Mr SAWARD - There is no risk because the owner doesn't pay up front. You only ever pay for the work behind it - you pay next month for what is done this month.

Ms THORP - Yes.

Mr SAWARD - So if the builder and yourself had a fight and he walked off the job, you are not out of pocket. There is no need for any safeguards because you haven't given him half the money before he started, or anything like that.

Ms THORP - In your opinion, are they genuine owner/builders or are people doing this to get around the legislation?

Mr KEENE - Probably a bit of both.

Mr SAWARD - I personally believe a lot of this has come about because the banks are lending huge amounts of money and they need to safeguard that. In order to safeguard it, there is insurance and if you follow all of this, if the wheels fall off, we have this to draw back on, but the insurers have made it a last-resort issue. I do not know how you amend it to repair it. I think you might as well start again, to be perfectly honest.

Ms FORREST - With an owner/builder, do they often take on builders unaccredited through TCC to conduct that work? Is that a way for an owner/builder to get around the need to get accreditation, or is that not a consideration?

Mr SAWARD - I know of one instance where a person who is not accredited has built a couple of nice homes. He is a very good builder and, probably like all of us, he is sick to death of the whole system and has said, 'It's too hard and I'm going to continue my own way.'

Ms FORREST - In the situation where you have an unaccredited builder conducting the work for the owner/builder - and I might be misinterpreting here - the owner/builder does not necessarily take out the home warranty insurance?

Mr SAWARD - Yes, does not have to take it out.

Ms FORREST - They do not, so under the act, to protect that property for six years, say the owner/builder wants to sell that property in a year's time -

Mr SAWARD - Yes, he cannot. He has lost out then.

Ms FORREST - Who has lost out here?

Mr SAWARD - The owner.

Ms FORREST - The owner, so he cannot sell it or he has to inform the buyer?

Mr SAWARD - He has to get the insurance later. If he missed the opportunity in the beginning he has got to get it later on and he will pay dearly for it.

Mr KEENE - The risk is he will have to have an engineer or someone to have a look at it.

Ms FORREST - So retrospectively insure the job. Is that what you are saying?

Mr SAWARD - He can do that, yes.

Ms THORP - With inspections?

Mr KEENE - Yes, you get someone in to inspect and then if it has five years to run after the place has been built they get cover for five years, providing the inspection comes up to scratch.

Ms FORREST - The other matter of interest you raise, right back when Mr Wilkinson was also asking some questions, is the insurance that you take as a job-for-job insurance, or you have the annual -

Mr KEENE - It is all job specific.

Ms FORREST - Every job you take on -

Mr KEENE - Is another policy, a new policy.

Ms FORREST - Yes. How does the TCC accredit you if you have not got a job upcoming or a current job that can show you are insured?

Mr SAWARD - Because you pay CGU \$220 to assess you.

Ms FORREST - You have that in addition to your job-for-job?

Mr SAWARD - If you have taken out a job you do not need to give CGU \$220, but if you have gone the whole year without taking out a job and you do not pay them then you are not assessed as eligible and the TCC will drop your accreditation - and you are out of business.

Ms FORREST - If you took a year off say for -

Mr SAWARD - If I took a year off and went on holiday I would have to pay CGU \$220 to get back into business.

Ms FORREST - You have no way of passing that cost onto consumers?

Mr SAWARD - That is right.

Ms FORREST - Do you pass on your insurance costs to your consumer when you quote?

Mr SAWARD - You have to.

Ms FORREST - If you have not got a job there is no way of passing any cost on, so you have to maintain that insurance whilst you are not working.

Ms THORP - Basically it is to maintain your accreditation.

Mr SAWARD - Yes, that is right. The fact is that the TCC are not assessing you, I do not believe, because they are taking CGU's word for it, are they not?

Mr KEENE - An area that we have not touched yet and we need to shortly is that we are only 10 months away from reaccreditation. Our accreditation lasted for three years. We are not sure what the criteria are to be reaccredited. It may well be that the insurance companies will have to send a letter to the TCC to say that they will insure us before we get accreditation. That happens in Victoria. When I was a practitioner in Victoria, each year, before I was reaccredited, I had to have a letter from a housing indemnity company to say that I was eligible for insurance.

Ms FORREST - It was eligibility you had to demonstrate, not actual evidence of insurance?

Mr KEENE - Yes, eligibility for the insurance, which means that I had to go to the insurance company and give them my details, my assets and liabilities and all that stuff. Then they would say, 'Okay, yes, we are happy to give him insurance.' It then goes to the practitioners' board in Victoria and they will give me accreditation. We are not sure this year what is going to happen. As I said, we are 10 months away and the TCC cannot give us any answers.

Ms FORREST - Have you said, 'Contact the TCC'?

Mr KEENE - I have asked the MBA and the MBA say, 'No, we cannot get any answers from the TCC.' I was talking to Judy Partridge here in Devonport yesterday and that is what she told me.

Ms FORREST - The MBA have been pursuing what the requirements are for reaccreditation?

Mr KEENE - Yes.

Ms FORREST - With no success at this stage?

Mr KEENE - No, none whatsoever.

Mrs SMITH - We of course have received submissions from consumers, as well as builders, and quite clearly there are consumers out there with difficulties. Even though they have used accredited builders, they have had problems. It is quite evident that something is failing and one of the presumptions one could make is the insurance. Your story is that you are paying out money for insurance. My concern is if you need that insurance because you have a consumer issue, then that it is going to be a difficulty. Has it been an issue that has been raised within the building circles - the MBA or the HIA or something - the attitude of how insurance companies are dealing with claims?

Mr KEENE - It is discussed nearly every meeting. Housing indemnity and structural defects insurance get a really good airing at most meetings.

Mrs SMITH - With no solutions?

Mr SAWARD - Under the present situation the insurer will only pay up on death or bankruptcy which is a clear case. Anything other than that is between the consumer and the builder, so why did the consumer pay to the builder an insurance premium that is not going to help them unless the builder is bankrupt, disappeared or dead? It is not how the consumer thinks they are getting insurance.

Mrs SMITH - We were given evidence yesterday of a scheme that operates in Queensland. We have to check the detail because it was only in evidence. The scheme has a process called 'small claims'. There is someone with the authority to hear the case between the builder and the consumer over issues that are of concern about the building of a house, to make a judgment that the builder must fix the issue, or the consumer is wrong and they are fussing, or they did not ask for that and now they are expecting it but it does not show in the contractual arrangements. Do you think that process would be something that could work better than the arrangement we appear to have at the moment - for both sides, builders and consumers?

Mr SAWARD - I am not familiar with the Queensland system but it does get raised a lot that they have a good system.

Mr KEENE - Are they the only State in Australia that does not have a last-resort insurance?

Ms THORP - That is the case, as I understand it.

Mr KEENE - Yes.

Mrs SMITH - I believe the accreditation is a three-year accreditation but you pay annually; is that correct?

Mr SAWARD - There is \$1 500.

Mrs SMITH - Why would you require each year to go through that insurance process if you have a three-year accreditation?

Mr SAWARD - That is right.

Mrs SMITH - Surely it should be a three-year proof from an insurance perspective. Would you agree with that?

Mr SAWARD - Yes, absolutely. That is the intent. That is how I believed it was going to happen in the beginning.

Mrs SMITH - The issue of owner/builders has come up and there has been a significant rise in numbers, and you have confirmed that again in evidence. I have a concern that there are owner/builders who do not understand this six-year buy-back insurance concept until they go to sell their property, because they are being transferred two years down the track and suddenly find they have a difficulty with the real estate regulations, et cetera. Is that a concern that we should be addressing as well, that owner/builders do not understand that at the time they do it? They do it cheaper to get around this insurance aspect, but they could get caught down the track in two or three years time.

Mr SAWARD - I have worked for owner/builders, and in that case I make it absolutely clear what they are wanting to do, and they do not have a problem with it. They cannot see the need for the insurance. They say they pay enough and they do not need any more. If it is last resort, then at the end of the day they say, 'I have the cheque book.' It then probably gets back to the law of the jungle to a certain degree. If it is only last resort then really you cannot sell it, can you?

Mrs SMITH - That is the concern I have. We all presume we are building our home for 10 or 20 years but we cannot know what is around the corner.

Mr SAWARD - Yes, that is right. You could be divorced next week. You do not know, do you? Circumstances change don't they?

Mr KEENE - Wasn't the original idea of housing indemnity to make sure that the house was insured for structure more than anything else?

Mr KEENE - That is right.

Mr SAWARD - When you consider taking on and building your new home you will have an architect or an engineer to design it. They are insured and they will be designing it to the Australian code. You will have an engineer for any other designs, and they are insured. So if you have a structural issue, you have two people you should be able to fall back on. Most of what I would see as housing indemnity claims have been workmanship-related. That has really been brought about by their choice. We wanted the cheapest quote or we did not look into it and we have just picked this fellow.

Mrs SMITH - Surely the accreditation process should give me, as a consumer, some comfort that just because it is the cheapest does not mean it is a shoddy builder. This person has been accredited by a supposedly competent body, TCC, and that is my insurance that I have a good builder. That is the first issue, not the price component. Somebody has said that this person has all the qualifications to do the job I want. It is failing, would you say, if that is not what is happening?

Mr KEENE - In my submission I made mention of a case I have been involved with for three and a half years, a housing indemnity claim. It has not gone to court yet and I really do not know where it is at. This consumer signed a contract with a supposed reputable company. Accreditation was not in at that stage but I do believe that this builder is now accredited. He has a CC number, so he is now accredited. But three-and-a-half years is a long time to sort out a claim.

Mrs SMITH - Do you think the accreditation process, as it is at the moment, is failing to ensure we are getting a ticket for appropriately qualified people, that they worry more about whether they have insurance or have a past history rather than what their qualifications are? Would that be a fair statement?

Mr KEENE - Yes, I feel that way.

Mr SAWARD - Under the Building Act 2000, to become a builder you do not have to do your apprenticeship. You can simply do your certificate 4 and if you have the assets to back you up, then you are a builder. That, to me, is absolutely crazy and we are the only State that has come to that. Why on earth they have come to that is beyond me.

Ms THORP - Those are the current requirements?

Mr SAWARD - Yes. I have a 17-year-old son and instead of doing his apprenticeship, he could go to TAFE or university and do a certificate 4.

Mr WILKINSON - Which takes how long?

Mr SAWARD - I don't really know and I don't know what it costs.

Ms THORP - It depends how you do it and which route you take.

Mr SAWARD - But the fact is, he can do it and become a builder. As long as he has the assets to back him up, he is in business.

Mr KEENE - Then he will probably employ subcontractors who will do the skilled work for him.

Mr SAWARD - I was 19 years old when I finished my apprenticeship and then I went out on my own. If my son did the same and finished his apprenticeship, there is no way he will ever become a builder because he will not have the assets to back himself up to get the insurance. He will only ever be a carpenter. He will be working for a bigger company or working for one of these academic builders who have the assets to employ him and would need his skills because he has done an apprenticeship

Mrs SMITH - The Building Act is not what has forced the insurance, is it? Is it the insurance companies that have created this issue that it is about assets not about capacity?

Mr KEENE - Yes. It is an implication of the Building Act.

Mrs SMITH - We had evidence from one person who runs a building company where components are modulated inside a factory. He said, 'I'm not a builder.' As an apprenticeship process, he employs people to do it. He went through the process and received the accreditation because he had the assets to get the insurance. He will carry the can for his business, at the end of the day, yet he had not done an apprenticeship. But quite evidently his business is booming and that must mean that he is putting out a quality product at the right price. So I would hope that the act was there to ensure that people who were very good builders, manually showing that they were building good houses, and people in the former instance could get accreditation. It would be the same as people who have been through what we now expect as an apprenticeship process under a very good qualified builder to learn their trade. Would you agree that the Building Act was wide enough to encapsulate, we hope, everybody, rather than say, 'You've built for 40 years, but you don't have an apprenticeship ticket so you can't be a builder'.

Mr SAWARD - Yes. There was that period where, if you could satisfy them, then you were in. Clearly if you were in business and you were performing, that was how it was. But that is not how it is now. If he were to start in business today, he would have to do his certificate 4 and more, and have certain assets. How do we attract young people into this industry? My son could become a plumber, he could become an electrician,; they are both licensed trades. Their licence fees are a fifth of what our licence fees are. He wouldn't have to put up his assets; he could become self-employed a year after he'd finished his apprenticeship and he would be charging more than I charge.

Mrs SMITH - I think you're telling me, if I am correct, that the Building Act is okay, but the issue for your son is that he could do the certificate 4 to get extra skills on top of his apprenticeship, but the money for insurance aspect would stop him from being able to go out on his own.

Mr SAWARD - The whole thing is levelled at the dollars, yes.

Mr WILKINSON - We are talking about this accreditation continuation fee of \$200 -

Mr SAWARD - \$220.

Mr WILKINSON - \$220 - sorry - and we are saying that if you don't build for a year, two years, 10 years, 20 years, you are still accredited if you continue to pay the \$220.

Mr SAWARD - Yes, that's right.

Mr WILKINSON - That is the crazy thing, it would seem to me, because accreditation is all about the skills of the builder and whether they still have those skills.

Mr SAWARD - Good point, yes.

Mr WILKINSON - So here, so long as you pay this continuation fee, you are still accredited even though you may not have built for 20-odd years.

Mr SAWARD - That's right.

Ms THORP - Perhaps you're better off being an insurer rather than a builder.

Mr SAWARD - Yes, don't be a builder.

Mr DEAN - You raised the issue of funds, the fact that TCC is a not-for-profit organisation, and you raised queries about where the funds have gone. Have you ever tried to get a financial statement from TCC?

Mr KEENE - I have not tried it. I wouldn't have thought, being a corporate entity, that I'd be entitled to get it, would I?

Mr DEAN - I don't know. You have never assumed that through contacting the minister's office -

Mr KEENE - I just got those sums out of what I've read in the paper. It's 2 500 practitioners, and I know how much I pay, so I just think it's a lot of money going into a pool.

Mr DEAN - I take it, then, that the information and advice that you are receiving is that all of the money that is collected through this position is going back into the trade somewhere. Is that your belief, is that the way you see that?

Mr KEENE - I would like to think it would, but I guess now my opinion is biased because I've read newspaper articles.

Mr SAWARD - I questioned Peter Rayner, the registrar of the TCC, the other week on the phone, as to the funds and what was being done with them. He told me that their company had to have funds in place so that they could go to three levels of court to defend themselves. If they decided to cancel my accreditation, then they had to be able to go to three levels of court to defend that. I said, 'I don't think that some builder that's been seen to be cancelled is going to have the funds himself to take you to three levels of court'. It is just not going to get that far, I would have thought. It might happen to the Fairbrothers of the world, but they are hardly going to cancel them.

Mr DEAN - Are you aware of any situations where that has occurred, that there has been a deregistering?

Mr SAWARD - On the *7:30 Report* or *Lateline*, the other week there was an issue where a builder had been deregistered because he hadn't paid his \$220.

Mr DEAN - What position applies where you become a spec builder? What is the situation there where you become the builder, yourself, to build a home as a spec builder? What applies there?

Mr KEENE - I have to get housing indemnity insurance. That is the main criterion I have to meet to get my plans approved through the council. That is a safeguard regarding builders; having got their accreditation, it is still up to the council to decide whether that building application goes through with that builder because he has to produce a housing indemnity certificate to the council before that job can be approved. So to be a spec builder, myself, I just need a housing indemnity policy and to go through the normal process as everyone else.

Mrs SMITH - Are you comfortable that organisations like the MBA and HIA have communicated the concerns of yourselves and perhaps other builders to the relevant people within the government departments et cetera? You couldn't get to the minister. I am trying to ascertain whether or not it is fair to assume that some in the department should have been aware of a lot of these concerns of builders - and consumers, I might say. Are you comfortable that the MBA and the HIA have represented these concerns?

Mr SAWARD - No, to be perfectly blunt. I do not believe that the MBA, represent the builders at our level to the point that we would like them to - that is my honest answer on that. I have had several stern conversations with Chris Atkins, the CEO. In fact, I nearly had one last night at our meeting. They have now produced a national policy on owner/builders. I asked him how would it affect me if I wanted to become an owner/builder and build and sell my own residence, and the answers were always wishy-washy. Nothing is ever clarified.

I asked, at the meeting the other month, about an issue on defects liability insurance, and why it has a tail. Graeme recently did a job at a doctor's surgery in Wynyard. He had to take out a \$400 defects liability insurance policy to cover probably \$10 000 worth of structural work. The rest of the job was general construction, floor coverings, painting and the like. So there was a \$400 premium that the owners have to pay and then you get a renewal notice 12 months later for another \$400, and that \$400 will be paid for the next 10 years to cover \$10 000 worth of structural defects.

Mr KEENE - It's a bit more than that; it is probably \$550 or something a year, but it is a strange insurance.

Mr SAWARD - At the end of the day, structural defects can be coped with within the conditions of the contract.

Mrs SMITH - What I am trying to ascertain, though, is whether or not you believe people within the Government department should have been aware of the sorts of issues and concerns that we, the committee, are hearing?

Mr SAWARD - They should have, absolutely. Someone should have known what the big picture would be. I've been forecasting this big picture for a lot of years and, clearly, I think they should have been able to see where it was going to go.

Mr KEENE - Bryan Green's office was aware of the structural defects insurance in June last year because I rang him in the middle of June last year. He did tell me that they were looking at the structural defects insurance and it was a bit of a mess - they admitted that. They were supposed to have been making a decision on that in early July last year, and I think one of those letters that I have handed around confirms that. After we tried to get appointments with Bryan Green's office to find out where we're at with structural defects insurance, when I finally got hold of Guy Nicholson he said, 'The problem is too big. It has taken a long time to fix and we have not fixed it yet.' That was at the election time this year and that is in some correspondence I have got there.

Mr DEAN - I want to take from your statement you have provided us that you had a meeting or had been meeting with the Consumer Affairs Office and you are saying in your

document that they indicated to you that a review is forthcoming because clearly there were serious problems with the present system -

Mr SAWARD - There were, yes.

Mr DEAN - and you were later told that that would not occur. Can you expand on that?

Mr SAWARD - I thought that was quite unusual. Coming up to this election, I thought this is really our opportunity to try to work out who is going to act best for me. I tried to get in touch with Bryan Green, and couldn't. I spoke with Brett Whiteley and Kim Booth and then I thought I would ring Consumer Affairs and find out what has happened with this inquiry. The meeting I went to in Ulverstone was well attended and they did nearly everything except throw chairs. The conduct of a couple of the builders was unbelievable. They were so irate, but the two fellows from Consumer Affairs did a fabulous job and they produced quite a big document and they had a very good understanding of the whole thing. I rang and asked what had happened to it and they said, 'It has been set aside for the time being. We cannot tell you any more than that but we are not focussed on it for the moment.'

That was the third meeting they had had around the State, and clearly every other meeting was the same as the one I attended. There should have been a direct move to get that finalised and get something under way with that.

CHAIR - Thanks, gentlemen, for your presentation today plus your written submission. Once we have concluded our deliberations we produce a report which is tabled in Parliament. You will get a copy of that report so you can make your own assessment of our recommendations.

Mr SAWARD - Thanks very much for the opportunity.

THE WITNESSES WITHDREW.