



their building warranty claim was rejected, all Justin Carter, wife Kate and son Max are left with is an unfinished house in Bacchus Marsh.

PICTURE: PAT SCALA

Missing' builder may end family's home ownership hope

DAM CAREY

IN Carter faces losing a house he has spent more than \$160,000 on after the builder "disappeared" before the house had been completed, and the government insurer rejected his warranty claim.

Carter's partially built house in Bacchus Marsh has been vandalised, and copper pipes fittings stolen since construction suddenly stopped in December, the same month the house was contracted to be finished.

The builder hasn't rung us at all, as given us no explanation, and we have no way of contacting Mr Carter says. With his bank chasing regular

mortgage payments, Mr Carter fears he will have to sell the property, ending his hopes of owning his own home. "If this insurance doesn't kick in we'll have to sell our house and we'll never be able to afford to build a house again," he says.

Mr Carter is a customs officer and his wife Kate cares for their one-year-old son at home.

The builder, Zadun Homes, is known to have quit work on three other incomplete houses in Bacchus Marsh and none of the other affected people have been able to find the builder either.

Attempts by *The Age* to contact Zadun Homes failed. The business is listed at a Hoppers Crossing address, but the phone number is disconnected, and the

office is closed and chained. Mr Carter has tried to claim builders warranty insurance, payable if a builder dies, becomes insolvent, or disappears. But the government's insurance arm, the Victorian Managed Insurance Authority, rejected his claim because Zadun Homes is still registered with the Australian Securities and Investments Commission and is therefore not insolvent despite being uncontactable.

"We suggest that you contact the builder to pursue any issues you have arising from your major domestic building contract," the authority said.

The authority told Mr Carter to go to VCAT, but he has neither the time nor the money to do so.

Anne Phaten took her builder to VCAT in 2009 in an attempt to recoup about \$200,000 worth of defects on a new home after her insurance claim failed, but says she gave up the case "because it would have gone on for years and it would have cost us a fortune".

"The VCAT experience was really a disaster," Ms Phaten said. "It was meant to be a place where people could go without solicitors, that was cheap, quick, efficient and of course provided justice. "It proved to provide

absolutely none of those things." The release by the Bailieu government of the figures on builders warranty insurance marks the first time they have been made fully public in the scheme's 10-year history.

Finance Minister Robert Clark said the government was "concerned" about the enormous imbalance between premiums and payouts in the scheme, and was investigating ways it could be improved.

"However, it is not valid to judge the costs and benefits of the scheme simply by comparing current premiums with cur-

rent payouts, because many lines of insurance have long 'tails'. That is, a large portion of claims against these policies may not be made for a number of years," Mr Clark said.

Owners have up to six years to make a claim. Greens senator Christine Milne praised the Bailieu government for releasing the insurance figures after years of industry equivocation on the grounds that they were "commercial-in-confidence".

"What the figures show is it's an absolute joke in terms of providing any sort of consumer assistance," Senator Milne said.

Victorians fleeced by insurance scheme

◀ From PAGE 1