

Building inspectors get tougher

By **KAREN COLLIER**,
consumer reporter

BUILDING inspectors will get tougher powers to help fix botched new homes and renovations.

Shonks refusing to repair faults will be deregistered, booted out of the industry or forced to fold, the State Government has pledged.

The promise comes as insurers make it harder for home owners to lodge claims for shoddy workmanship.

The overhaul, foreshadowed in the *Herald Sun* this week, follows insurer threats to pull out of the market entirely because of multi-million-dollar losses.

New restrictions will limit insurance claims to cases where builders die, disappear or go broke, and apply to work worth more than \$12,000 instead of \$5000. This will force some consumers to fight for compensation through other means.

While maximum payouts for eligible home owners will double to \$200,000, claims time limits will be cut from 6½ years to two years for cosmetic faults and six years for structural defects.

High-rise apartment owners struggling to get problems repaired will lose the right to claim under builders' warranty insurance altogether. They will instead have to take legal action and seek redress through builders' professional indemnity insurance.

Opposition treasury spokesman Robert Clark warned consumers would fall through the gaps unless building inspectors strictly policed the new system.

"My worry is that consumers will suffer delays and expense in chasing builders who won't comply with orders," Mr Clark said.

Faulty work revamp

By **KAREN COLLIER**,
consumer reporter

HOME owners battling shoddy builders will find it harder to make insurance claims under a planned clampdown

THE PROPOSALS

ALLOW claims only when a builder dies, disappears, or goes legal over an ongoing contract

DEMAND insurance for building work worth more than \$12,000 instead of \$5000

Tuesday's Herald Sun

But Finance Minister John Lenders denied the insurance changes, to be mirrored in New South Wales, would leave consumers high and dry.

"We have an entire package here that looks after consumers and keeps the building industry going," Mr Lenders said.

Up to \$6 million extra a year would be spent on measures such as extra inspectors and stricter building audits to help identify and rectify faults early, he said.

State authorities would also be responsible for settling disputes, ordering builders to fix faults, and deregistering those who refused.

Housing Industry Association state executive director John Gaffney hoped the changes would encourage more insurers to enter the market and reduce premiums, which have recently doubled and added about \$1000 to new home costs.

Last year's collapse of major player HIH left just three main providers of builders' warranty insurance.