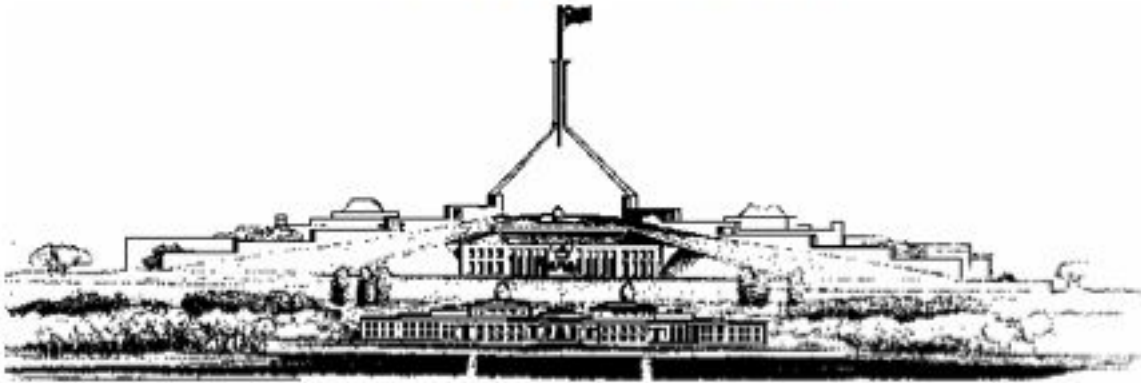




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**COMMITTEES**

**Economics References Committee**

**Reference**

**SPEECH**

**Thursday, 29 October 2009**

BY AUTHORITY OF THE SENATE

---

## SPEECH

**Date** Thursday, 29 October 2009  
**Page** 7591  
**Questioner**  
**Speaker** Eggleston, Sen Alan

**Source** Senate  
**Proof** No  
**Responder**  
**Question No.**

---

**Senator EGGLESTON** (Western Australia) (11.00 am)—There is no doubt that home warranty insurance is a very serious matter in which there is room for a great deal of improvement. The facts of the matter are that there are different regimes around this country and consumers, except in Queensland and the ACT, in fact get very little protection from their home warranty insurance even though they think it means that if something goes wrong with the construction of their building then they will be indemnified and the necessary repairs will be made.

As Senator Milne said, I think, there have been 38 inquiries into this matter. So one must conclude that all the relevant facts are known about this issue of home warranty insurance and how inadequate it is in, as I said, all places except perhaps Queensland and the ACT. There are certainly a lot of issues of consumer protection that need to be addressed. However, the coalition does not believe that a further hearing will lead to more relevant or substantially different knowledge about the state of affairs in home warranty insurance than what has already been revealed through the very long inquiry into this matter by the Senate Standing Committee on Economics.

The coalition believes that the time has come for the question of home warranty insurance to be referred to COAG so that common legislation can be developed which will apply across Australia and give protection to people building homes across this country. I think that, Senator Milne, is what we should do from this point on. There should be a common agreement to refer this to COAG for the COAG process to come up with, as I said, legislation which would apply across the country and provide adequate protection to people building houses anywhere in Australia.

There is no doubt that Senator Milne is quite right: it is a scandal that home warranty insurance has the flaws that it does. Home warranty insurance is in fact quite fraudulent. People are taken in by it and consumers are put at risk. But it is not really a federal matter; it is a matter for the states, and the best outcome would be to refer this to COAG for the COAG process to deal with it.

Question put:

That the motion (**Senator Milne's**) be agreed to.