



Australian
Institute of
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Department of Justice
Office of the Secretary
GPO Box 825
Hobart TAS 7001

By email to: haveyoursay@justice.tas.gov.au

Home Warranty Insurance – Have your say

On behalf of the Tasmanian Chapter of the Australian Institute of Architects (the Institute) we would like to thank the government for the opportunity to be consulted.

We are pleased that the Tasmanian government is re-introducing a Home Warranty Insurance Scheme for Tasmania. Upon review of the Draft Residential Building (Home Warranty Insurance Amendments) Bill 2022 and Regulatory Impact Statement (RIS), the scheme appears mostly aligned with the Institute's response to the May 2022 public consultation paper. The scheme also seems to have similar broad parameters to other HWIs around Australia.

In the context of our initial recommendations, there are, however, some key areas that we would like to draw your attention to for additional consideration and review.

We have noted that the Bill determines that the Act will commence on the day, or days to be proclaimed. We would be appreciative of an indicative timetable at the earliest possible notice of when respective segments will come into operation.

We also note that the RIS on page 3 states that

A key part of any Home Warranty Insurance scheme is a process to carry out financial eligibility assessments of licensed builders to evaluate a builder's capacity for carrying out its intended projects and issuing them with certificates of insurance. The financial eligibility assessments consider a builder's financial performance, financial position, history and business capabilities and act as an additional risk management layer aimed at reducing the risk of insolvency.¹

As this is not set out in any way in the Draft Bill, we would be interested to know how this process will be carried out.

We further note that our recommended maximum claim limit in the May 2022 response, recommended a maximum claim limit of \$300,000, as opposed to the \$200,000 outlined in the RIS. This limit is satisfactory given national benchmarks, and we would recommend that this limit is reviewed periodically to ensure appropriateness.

¹ Consumer, Building and Occupational Services | Department of Justice, 'Executive Summary,' in *Regulatory Impact Statement, Tasmanian Home Warranty Insurance Scheme*. 23 November 2022, p. 3.

Thank you for providing the opportunity to provide important feedback on this important matter for consumers and practitioners alike. Please feel free to contact us if you need further clarification or explanation on any of the above points.

Kind regards,



Stuart Tanner

Immediate Past President, Tasmanian Chapter
Australian Institute of Architects



Jennifer Nichols

Executive Director, Tasmanian Chapter
Australian Institute of Architects

The Australian Institute of Architects (Institute) is the peak body for the architectural profession in Australia. It is an independent, national member organisation with over 13,000 members across Australia and overseas. The Institute exists to advance the interests of members, their professional standards and contemporary practice, and expand and advocate the value of architects and architecture to the sustainable growth of our communities, economy and culture. The Institute actively works to maintain and improve the quality of our built environment by promoting better, responsible and environmental design. To learn more about the Institute, log on to www.architecture.com.au.