

Building and Plumbing Newsflash 589

Review of the Queensland Home Warranty Scheme

Purpose

To notify industry and interested stakeholders about a review of the Queensland Home Warranty Scheme (Scheme) and to encourage participation in the consultation process.

Background

The Scheme, established in 1977, acts as a 'safety net' for consumers undertaking new residential builds and renovations and generally covers loss where a licensed building contractor fails to complete a contract for residential construction work or to rectify defective work.

The Scheme is administered by the Queensland Building and Construction Commission (QBCC) and generally covers residential construction work valued over \$3,300 on detached houses, unit buildings of not more than three storeys and duplexes. This includes residences, related roofed buildings (e.g. sheds and carports), swimming pools and other residential work, including most work in and on the building.

The Scheme is one of the avenues available to consumers in the event of a building dispute. Consumers will often participate in the QBCC's dispute resolution processes first, and the QBCC may issue a direction to rectify work to the contractor. If the dispute cannot be resolved through these avenues, the Scheme may offer assistance to the homeowner.

Review

As part of the [Queensland Building Plan 2017](#), the Queensland Government has committed to strengthening the Scheme and promoting certainty, equity, fairness and transparency in its operation.

In 2016, the Queensland Government made amendments to the Scheme to:

- include additional types of work over \$3,300 on or in the home (e.g. painting and swimming pools)
- introduce 'optional additional cover' to allow consumers to pay an additional premium to increase their maximum cover limit (generally from \$200,000 to \$300,000)
- transfer the Scheme's terms and conditions from a Queensland Building and Construction Board Policy to a regulation, to provide greater clarity and consistency.

The next phase of review will be led by a subcommittee of the Ministerial Construction Council (MCC), the Government's peak building and construction industry advisory body. The review will focus on 6 key themes:

- comprehensive, contemporary coverage
- adequate and flexible compensation limits
- affordable risk-based premiums
- effective and efficient processes and time limits
- empowered consumers
- a modern and responsive scheme.

Consultation stages

The review will be conducted in 4 stages:

1. Public survey to gauge current community and industry views – open now at this [link](#) until 5pm, 31 August 2021
2. Release of an information paper that takes into account the survey results – late 2021
3. Information sessions across Queensland to define local community concerns – late 2021
4. MCC and Government consideration of the consultation results and policy response – from early 2022.

Subject to COVID-19 restrictions, the information sessions will be held both online and in-person around Queensland later in 2021. The in-person sessions are currently proposed for Brisbane, Cairns, Townsville, Rockhampton, Mackay, Sunshine Coast, Gold Coast, Toowoomba and Roma.

If you would like to attend one of these proposed sessions, please visit the Scheme review [consultation page](#) to register your interest. Further details regarding the locations will be confirmed as soon as possible.

More information

The [consultation page](#) has information regarding the review and consultation details.

You can also visit the QBCC's [website](#) for general information on the Scheme.

If you have not received this newsflash directly from Building Policy, you can subscribe via bcqnewsflash@qld.gov.au.

DISCLAIMER: The information contained in this Newsflash is provided by the Queensland Government, through the Department of Energy and Public Works ('the department') as an information source only. The information is general in nature and the department makes no statements, representations, or warranties about the accuracy, quality, reliability, adequacy or completeness of any information contained in this Newsflash. It is not to be relied on as a substitute for consulting the relevant legislation or for obtaining appropriate professional advice relevant to your particular circumstances. The department disclaims all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages and costs (including consequential or indirect loss or damage or loss of profits) you might incur as a result of the information being inaccurate, inadequate or incomplete in any way, and for any reason.