



ATTORNEY GENERAL; MINISTER FOR COMMERCE

Your Ref:

Our Ref: 44-20125

Mr Mark Warner
Committee Clerk
Estimates and Financial Operations Committee
Legislative Council
Parliament House
PERTH WA 6000
lcefoc@parliament.wa.gov.au

Dear Mr Warner

QUESTIONS TAKEN ON NOTICE – 2014-15 ANNUAL REPORT HEARINGS

In relation to the appearance of the Department of Commerce, Building Commission Division at the Estimates and Financial Operations Committee 2014-2015 Annual Report Hearings on Monday, 8 December 2015 please find attached the answers to the Questions on Notice and Supplementary Information that was requested.

Please accept my apology for not meeting the scheduled deadline of Monday, 11 January 2016.

Yours sincerely

Hon. Michael Mischin MLC
ATTORNEY GENERAL; MINISTER FOR COMMERCE

Att.

15 FEB 2016

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

**2014/15 ANNUAL REPORT HEARINGS
ANSWERS TO QUESTIONS ON NOTICE**

Department of Commerce

Hon Alanna Clohesy MLC asked:

C1. How does that [the proportion of building service complaints and home building work contract complaints] compare with the previous year [2013-14]?

In 2013-14 there were 868 complaints lodged in respect to Home Building Work Complaints (HBWC) and building service complaints.

Of these 674 were complaints about building services under section 5(1) of the *Building Services (Complaint Resolution and Administration) Act 2011* only, 147 were complaints about home building work contracts under section 5(2) of the *Building Services (Complaint Resolution and Administration) Act 2011* and 47 were regarding both a building service complaint and HBWC.

The Complaints and Licensing System database did not have the facility to record and report complaints relative to whether the complaint related to a registered or non-registered entity prior to March 2015.

Hon Ken Travers MLC asked:

C2. That the survey [of people who have made complaints] results be provided as supplementary information

444 complainants were invited to complete the Building Commission's satisfaction survey of which 103 responses were received providing the following results relating to levels of satisfaction:

- i) 47.72% were satisfied/very satisfied
- ii) 12.62% were neutral
- iii) 44.66% were dissatisfied/very dissatisfied

Analysis of the responses received indicates a large proportion of the responses were from complainants whose complaints were found to be unsubstantiated, or the final outcome provided was less than that being sought.

Due to the subjective nature of disputes it is difficult to accurately measure levels of satisfaction as in most cases this will be a reflection of the outcome obtained.

Along with providing an indication of levels of satisfaction, the survey's main function is to collect feedback for use in the further development of the dispute resolution services provided by the Building Commission.

Hon Alanna Clohesy MLC asked:

C3. What are the details of the 3 outstanding claims from the 19 insurance claims received?

- i) One claim has not been settled as yet as QBE is awaiting the owners' quotes to quantify their loss.
- ii) One claim is open and will remain so until all recovery action is completed.
- iii) One matter was closed by QBE on 8 December 2015.

What was the number of [home indemnity insurance claims] dealt with by QBE in 2014/2015?

QBE received 14 claims, settled 10 with four still proceeding through the assessment process.

Hon Ken Travers MLC asked:

C4. How much of that increase [in the Building Services Levy] is to replace the consolidated account funding and how much of it is for future reform work?

The additional levy expected to be raised in 2015-16 is \$5.64 million on an anticipated industry turnover of \$12 billion. \$1.84 million is budgeted to replace Consolidated Account funding and \$3.8 million is budgeted for reform projects.

