

Introduced by Ms W S Machin, MP

First print



New South Wales

# **Building Services Corporation Amendment (Insurance) Bill 1996**

## **Explanatory note**

This explanatory note relates to this Bill as introduced into Parliament.

### **Overview of Bill**

The objects of this Bill are to increase the maximum payments under the BSC Comprehensive Insurance Scheme established under the *Building Services Corporation Act 1989* and to permit adjustment of the amounts of those payments in line with the Consumer Price Index.

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## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on assent.

**Clause 3** is a formal provision giving effect to the amendment to the *Building Services Corporation Act 1989* set out in Schedule 1.

## Schedule 1      Amendment

The Schedule inserts proposed sections 103A and 103B. Proposed section 103A sets out the maximum payments that may be made under the BSC Comprehensive Insurance Scheme. The new section raises the maximum payment for a combination of heads of claim from \$100,000 to \$200,000 for a single dwelling and adjusts other maximum payments accordingly. In future, these amounts will be adjusted annually in line with the Consumer Price Index. Proposed section 103B sets out the manner in which the amounts are to be adjusted.

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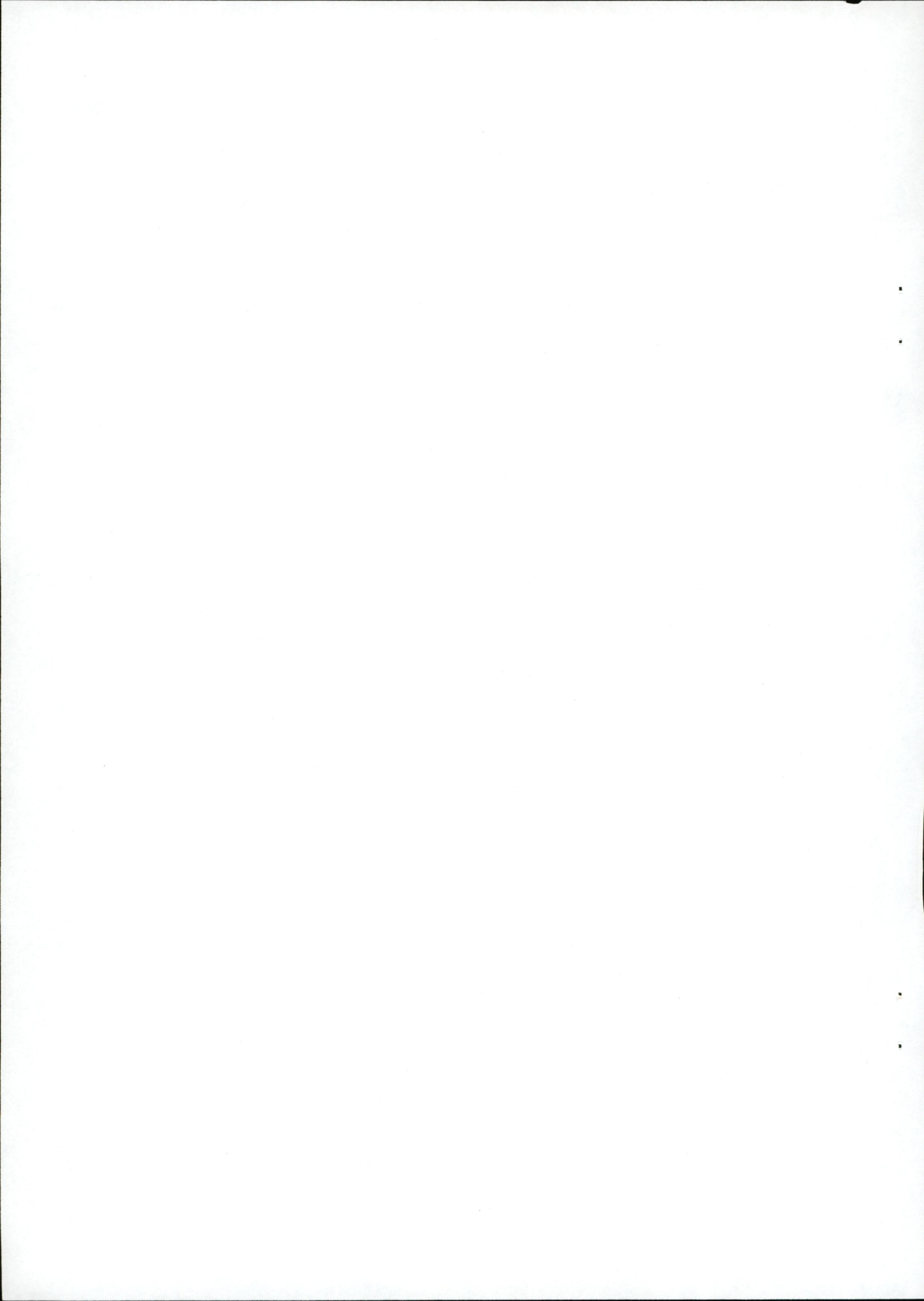
# Building Services Corporation Amendment (Insurance) Bill 1996

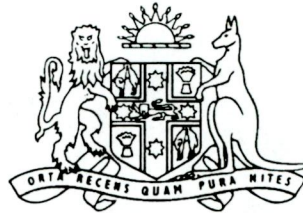
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New South Wales

## **Building Services Corporation Amendment (Insurance) Bill 1996**

No. , 1996

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### **A Bill for**

An Act to amend the *Building Services Corporation Act 1989* in relation to maximum insurance payouts under that Act, and to provide for the annual review of those amounts, and for other purposes.

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**The Legislature of New South Wales enacts:**

**1 Name of Act**

This Act is the *Building Services Corporation Amendment (Insurance) Act 1996*.

**2 Commencement**

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This Act commences on the date of assent.

**3 Amendment of Building Services Corporation Act 1989 No 147**

The *Building Services Corporation Act 1989* is amended as set out in Schedule 1.

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## Schedule 1 Amendment

(Section 3)

### Sections 103A, 103B

Insert after section 103:

- 103A Maximum insurance payments** 5
- (1) The aggregate liability of the Corporation under the BSC Comprehensive Insurance Scheme in respect of a claim made under any combination of heads of claim under that Scheme is limited to the following:
    - (a) in relation to a single dwelling—\$200,000, 10
    - (b) in relation to each dwelling in a building containing 2 dwellings only—\$100,000,
    - (c) in relation to the common elements in a building containing 3 or more dwellings—\$40,000,
    - (d) in relation to each dwelling, other than the structural elements of the dwelling, in a building containing 3 or more dwellings—\$20,000. 15
  - (2) The maximum amounts for which the Corporation is liable as specified by subsection (1) are to be adjusted automatically and from 1 July in each year in accordance with section 103B. 20
  - (3) This section has effect despite any provision of a regulation under this Act, whether made before or after the commencement of this section.
  - (4) This section applies to a claim made, but not determined, before the commencement of this section as well as claims made after that commencement. 25
- 103B Determination of maximum payments by CPI adjustment**
- (1) The adjusted amounts are determined in accordance with this section by adjusting the maximum amounts applicable under section 103A (1) in respect of the 30

previous year in accordance with the percentage change in the Consumer Price Index (All Groups Index) for Sydney published by the Australian Statistician (or if the index ceases to be published, such other index as the Corporation approves) which took place over the period of 12 months ending on 31 March in the previous financial year.

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- (2) An amount obtained by that adjustment is to be rounded up or down to the nearest \$10.