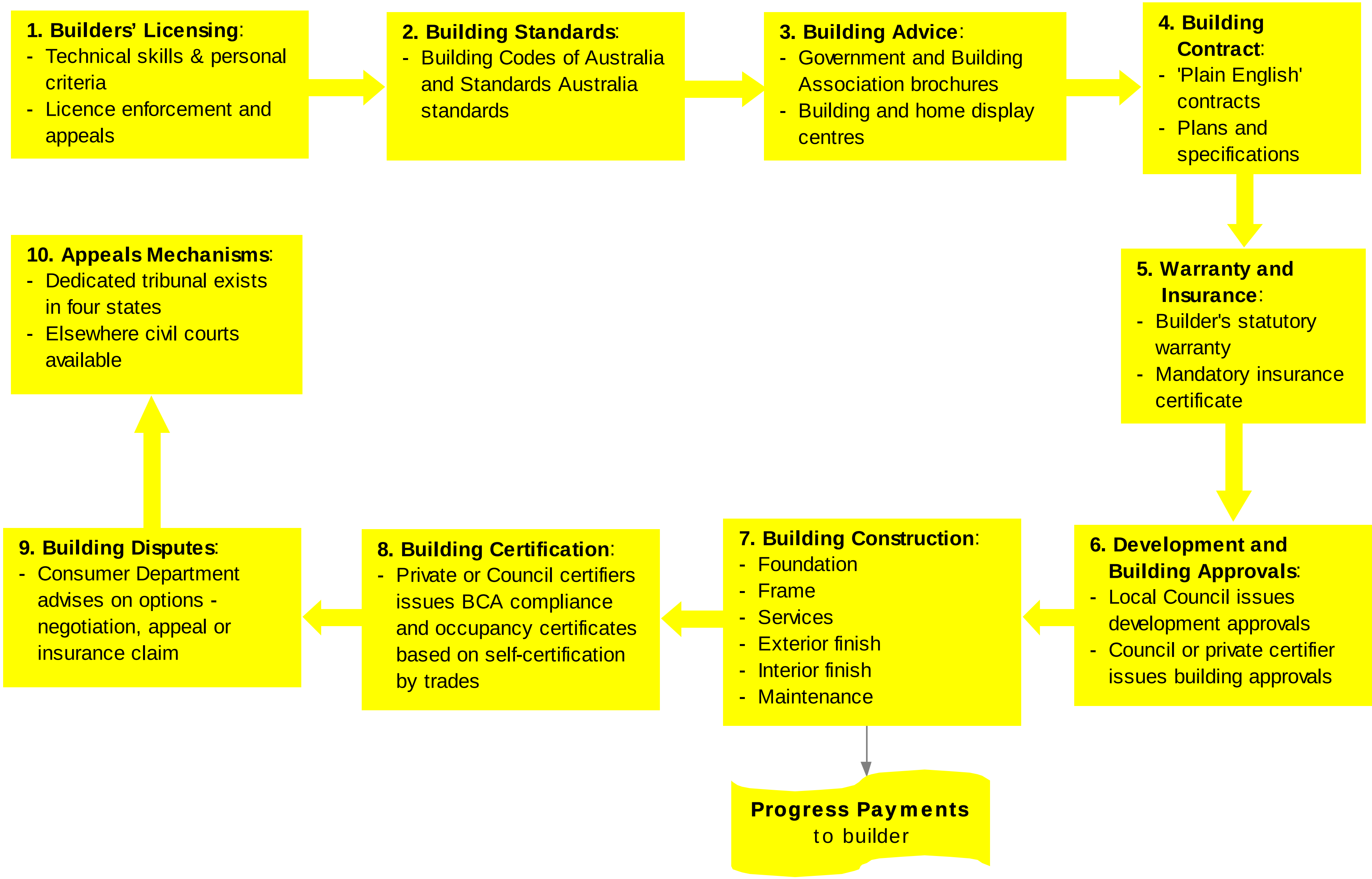
APPENDIX 6: ACCOMPANYING CHARTS

Chart 1: The home building process*



* This represents the process which existed in most States with private insurance in early 2002.

Chart 2: New dwellings (BIS Shrapnel Projections)

	Dwelling starts 2001/02	Dwelling starts 2001/02	Underlying demand 2002-2007	Underlying demand 2002-2007
NSW	44,900	28.9%	43,700	30.9%
Vic	44,800	28.8%	33,600	23.8%
Qld	32,000	20.6%	35,000	24.8%
WA	19,250	12.4%	18,500	13.1%
SA	9,550	6.2%	6,100	4.3%
Tas	1,600	1.0%	1,000	0.7%
ACT and NT	3,300	2.1%	3,400	2.4%
Australia	**155,400**	**100%**	**141,000**	**100%**

Chart 3: Registered building practitioners

	Date	Total
NSW	March 2002	158,824
Vic	June 2001	19,588
Qld	June 2001	47,718
WA	Dec 2001	5,069
SA	June 2001	21,135
Tas	No register	N/A
ACT	June 2001	6,147
NT	No register	N/A

Chart 4: Warranty and insurance

	Builder's Statutory Warranty	First Resort Warranty Insurance	Last Resort Warranty Insurance
Non-Completion of dwelling	Yes	Yes	Yes, But only if builder is DID*
Building defects (workmanship and materials)	Yes	Yes	Yes, But only is builder is DID*
Contract termination or breaches (other than defects)	Yes	Yes (Qld) ??? (others)	No

* DID = Dead, insolvent or disappeared

Chart 5: HBWI schemes — Australia

Regulatory framework	Insurance claims	Monopoly provider	Contestable market
Mandatory	First resort	Queensland	Tasmania NT (proposed) NSW (previously) Victoria (previously
Mandatory	Last resort	NT, Monopoly provider by default, not intention	Western Australia South Australia ACT NSW (new) Victoria (new)

Chart 6: HBWI schemes — International

Regulatory framework	Monopoly provider	Contestable market
Mandatory scheme	Ontario (Canada) Quebec (Canada)	British Columbia (Canada) Louisiana and New Jersey (USA)
Voluntary scheme		United Kingdom Germany All other States in Canada All other States in USA

Chart 7: HBWI market characteristics — comparison of Australian HBWI with other types of markets

Product market features	Typical markets (for example, supermarket)	HBWI market
Demand	Unregulated	Mandated
Beneficiary	Buyer	Third Party
Access	Open	Restriced
Supply	Unregulated	Unregulated*
Price	Unregulated	Unregulated*
Content	Partly regulated	Regulated
Warranty	Short	Medium — long
Knowledge	Medium — high	Low
Risk	Low — medium	Medium — high

* Except Queensland which restricts supply to BSA and caps its premiums

Chart 8: HBWI — Private Insurers

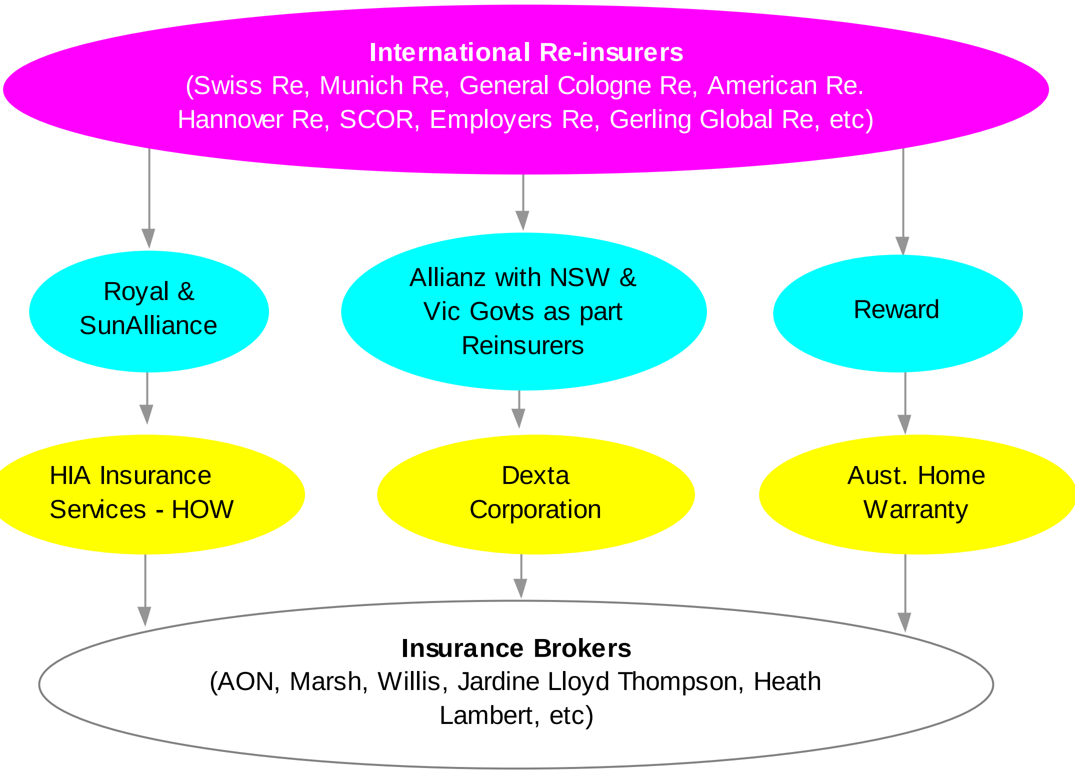


Chart 9: HBWI — Government Insurers

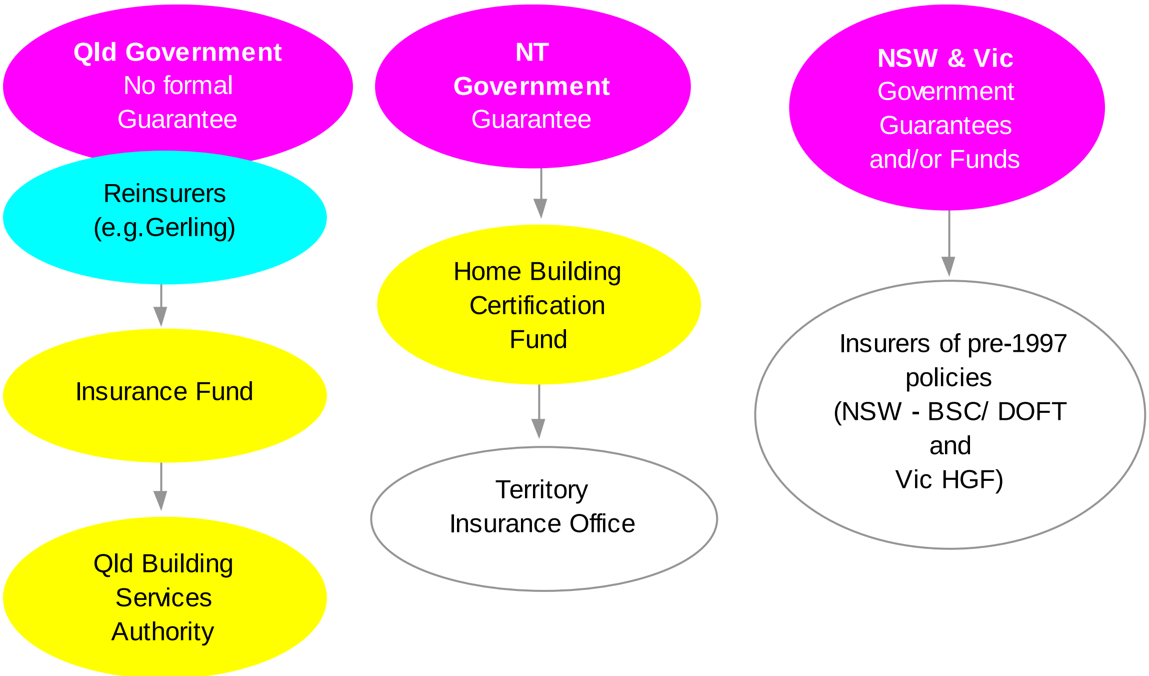


Chart 10: HBWI — free market case study

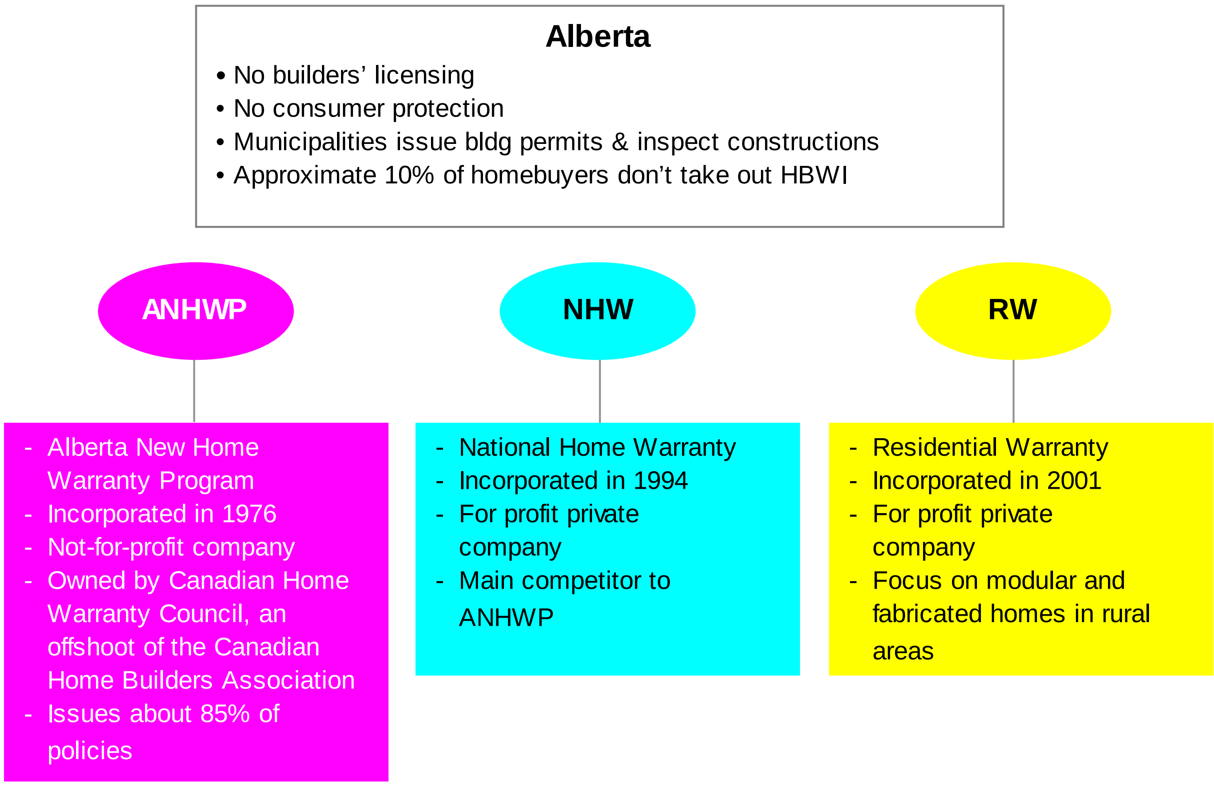


Chart 11: HBWI policies and premiums

	Number of policies post February 2002 (estimate)	Annual premiums post February 2002 (estimates)
NSW	96,000	$74.0m
Vic	75,000	$43.5m
Qld	58,000	$25.0m
WA	4,000	$2.6m
SA	22,000	$6.9m
Tas	13,000	$2.5m
ACT and NT	5,000	$2.5m
Australia	**273,000**	**$157.0m**

Chart 12: HBWI average premiums

	Average rates 2000-01	Average rates post February 2002 (estimates)
First resort schemes		
NSW	$221	$770
Vic	$231	$580
Qld	$365	$431
Tas	$230	$660
Last resort schemes		
WA	$166	$315
SA	$134	$195
ACT	$180	$545

Chart 13: HBWI premium trends average annual premiums, 1996-97 — 2002-03

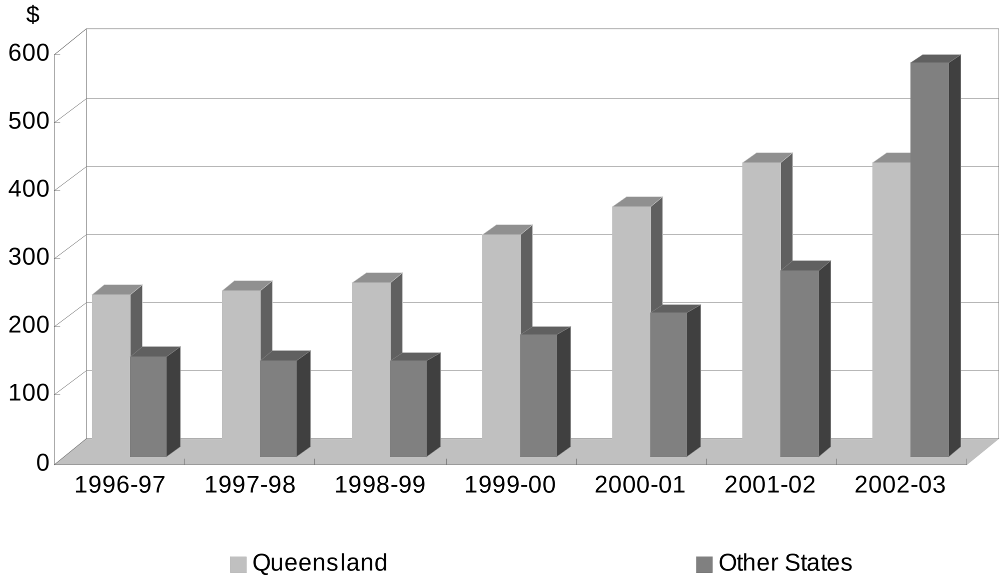


Chart 14: HBWI claims — frequency and average costs 1996-97 — 1999-2000

	Non-completion claims		Defect claims	
	Frequency	**Average cost**	**Frequency**	**Average cost**
NSW*	High	High	Medium	High
Vic*	High	Low	High	Low
Qld*	Medium	Very low	Medium	Low
Tas*	High	High	Very high	Low
WA^	Low	High	Low	Medium
SA^	Medium	Low	Low	Low

* First resort schemes
^ Last resort schemes
Note: Queensland data excludes subsidence to put it on par with other States.

Chart 15: HBWI claims frequency claims lodged as percentage of all policies, 1996-97 — 2001-02

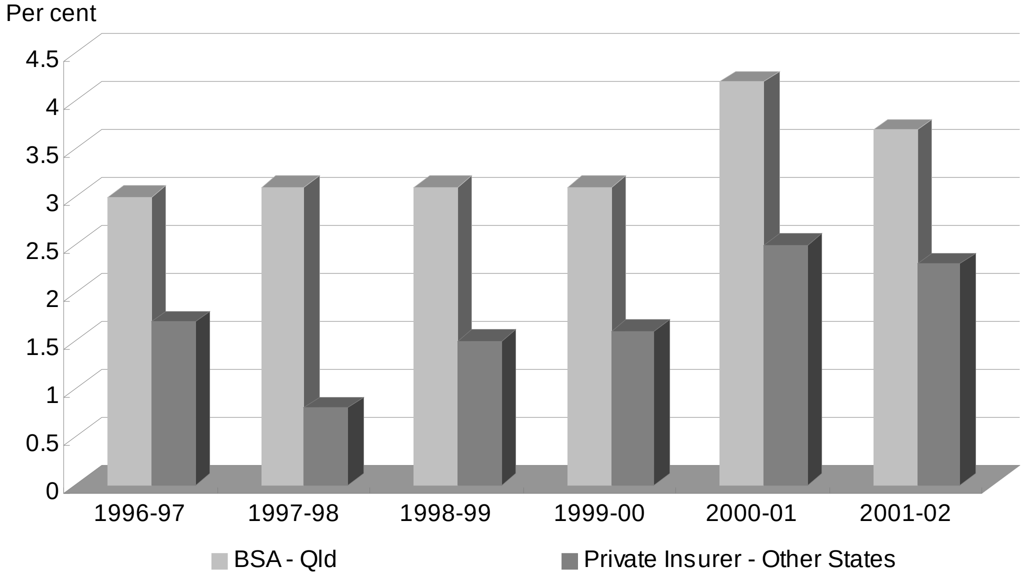


Chart 16: General insurance losses worldwide, 1970-2001

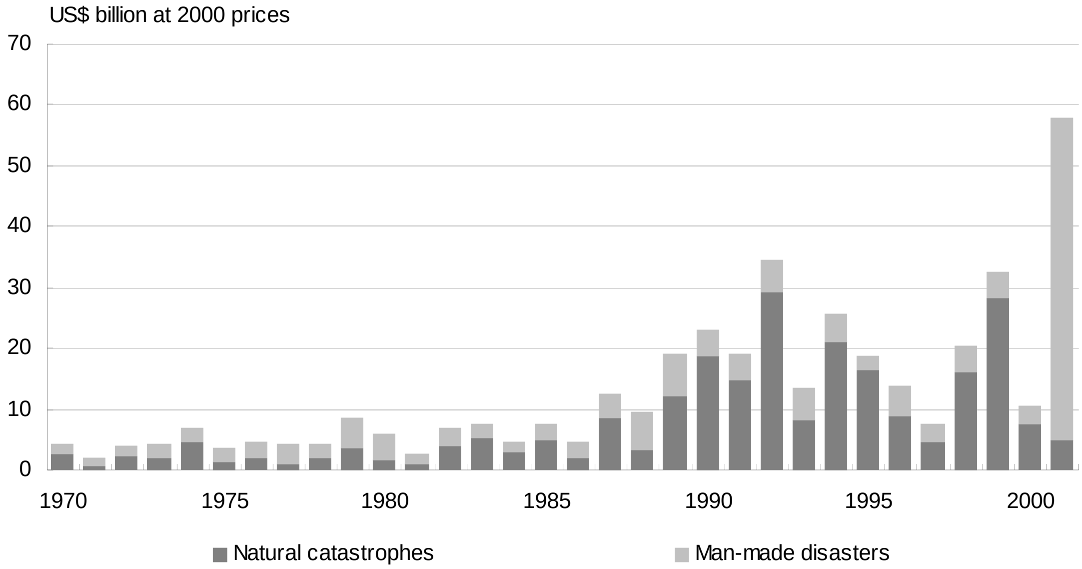
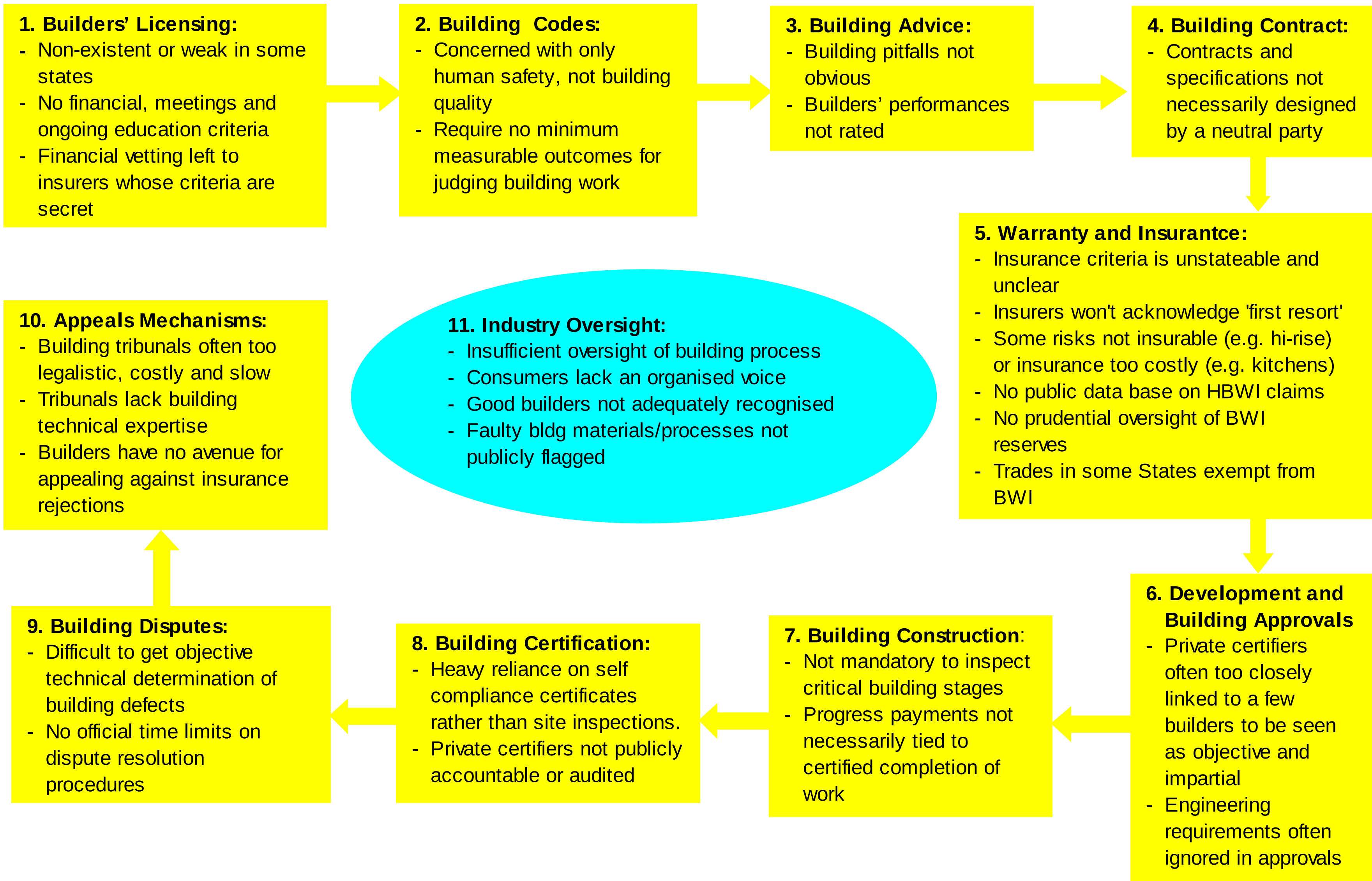


Chart 17: Home building process — missing links*



* These are gaps which existed in most though not all States and Territories in early 2002.

Chart 18: Basic analytical model

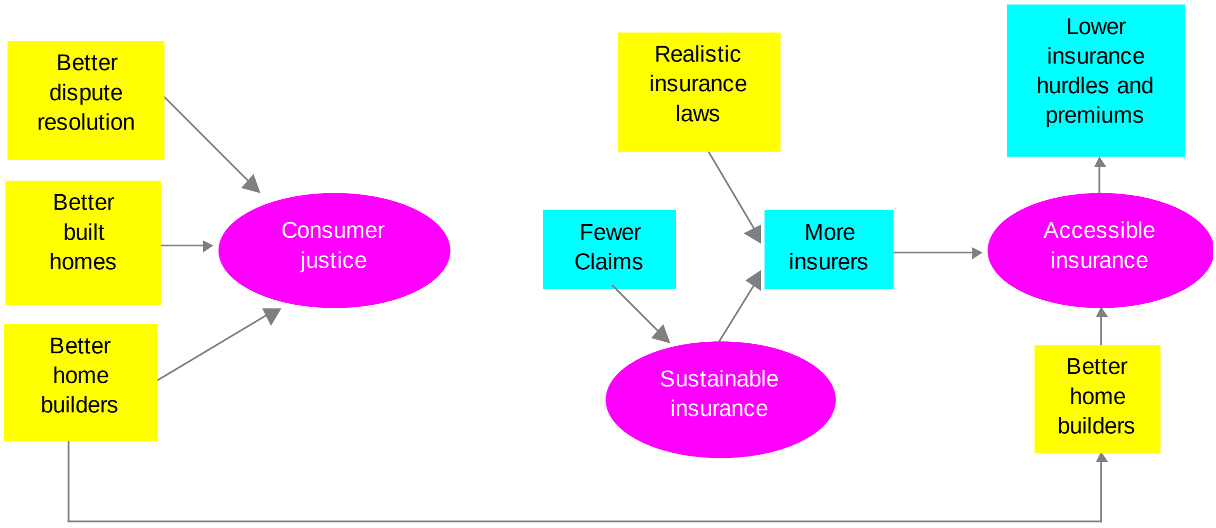


Chart 19: Suggested home building reforms