

Guidance Statement – Confidential – For Internal Use Only



Alternative Accommodation, Removal and Storage Costs

Non-Completion Claims

Where a claim is admitted, the consumer may be covered for alternative accommodation, removal and storage costs. This is alternative accommodation, removal and storage costs incurred by the consumer as a result of the non-completion of the residential construction work.

The maximum entitlement is \$5,000.00 or \$10,000.00 if additional cover was purchased, which is included within their maximum entitlement of \$200,000 or \$300,000 if additional cover was purchased. If the QBCC has approved the maximum entitlement for a non-completion claim, there is no remaining entitlement to pay for accommodation, removal and storage costs.

The Queensland Building and Construction Commission Regulation 2018 states:

“Schedule 6 Terms of cover for statutory insurance scheme

Subdivision 2 Completion of work

7 Assistance for completion of work

- (1) *The consumer is entitled to claim assistance for the reasonable cost of completing the residential construction work.*

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9 Assistance for accommodation, removal and storage costs

(1) *This section applies if—*

- (a) *the commission allows a claim for assistance mentioned in section 7(1) (the **completion claim**); and*
- (b) *the residential construction work the subject of the completion claim is for a residence that is—*
 - (i) *occupied by the consumer or, if the residence is unoccupied, intended to be occupied by the consumer; and*
 - (ii) *uninhabitable because the work is incomplete.*

(2) *In addition to the assistance mentioned in section 7(1), the consumer is entitled to claim assistance for the accommodation, removal and storage costs incurred by the consumer during all or part of the claim period for the completion claim.*

(3) *However, no assistance can be given to the consumer for the accommodation, removal and storage costs unless the consumer makes the claim for the costs within 28 days after the day the claim period for the completion claim ends.*

(4) *In this section—*

accommodation, removal and storage costs, *incurred by a consumer, means the reasonable costs of the following—*

- (a) *alternative accommodation of the consumer;*
- (b) *removal;*
- (c) *storage.*

claim period, *for the completion claim, means—*

- (a) *the initial claim period for the completion claim; and*

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(b) *the subsequent claim period for the completion claim.*

initial claim period, for the completion claim, means the period—

(a) *starting on the latest of the following—*

- (i) *the day the contract for the residential construction work the subject of the completion claim ends;*
- (ii) *the day the consumer makes the completion claim;*
- (iii) *if a day for practical completion of the work is stated in, or is decided under, the contract— that day; and*

(b) *ending on the earliest of the following—*

- (i) *when the residence is habitable;*
- (ii) *the day the consumer for the work contracts with a licensed contractor to complete the work the subject of the completion claim;*
- (iii) *7 days after the day the consumer is given written notice that the completion claim has been allowed.*

subsequent claim period, for the completion claim, means the period—

(a) *starting on the day the consumer for the residential construction work the subject of the completion claim contracts with a licensed contractor to complete the work the subject of the completion claim; and*

(b) *ending when the residence is habitable.”*

Should the consumer pay transit insurance or storage insurance for their home contents, this would be considered a reasonable cost incurred as part of removal and storage and therefore be included in their claim.

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The QBCC will also reimburse the reasonable cost of alternative accommodation for domestic pets (dogs and cats) which would normally reside in the dwelling, if the consumer's alternative accommodation refuses pets. Any other domestic animals (e.g. horses, ducks, goats, chickens etc.) which require alternative accommodation will NOT be paid for by the QBCC. The QBCC will NOT pay for temporary accommodation for any animals kept in the dwelling which are used for commercial breeding purposes (e.g. reptiles, fish etc.).

The consumer must provide the QBCC with the following information to consider reimbursement:

- a copy of rental/lease agreement
- a copy of the hotel or apartment invoice/s
- evidence of payment e.g. hotel or rental receipts, bank statements.

If no Tenancy Agreement was entered into (e.g. a private landlord/friend was used), a letter from the private supplier must be provided which details the type of property, property address and the periodic rent charged.

The Assessment Officer must determine the "reasonableness" of the accommodation compared to the property which is the subject of the claim. Consider whether the accommodation is similar in size or reasonable in the circumstances due to location, short term occupancy or holiday periods etc.

Consumers should be cautioned to be reasonable in their selection of alternative accommodation as the \$5,000/\$10,000 maximum entitlement is easily exhausted during the life of the claim.

If the consumer is experiencing financial hardship and cannot pay their alternative accommodation, removal or storage expenses in advance, the QBCC can pay the service providers directly. In this situation, perform the following:

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- request written confirmation from the rectifying contractor as to the period in which the home will be uninhabitable
- request a quote for accommodation, the provider's name and contact details
- consumer to supply Tax Invoice to the QBCC from the provider
- request a Technology One Creditor ID from Finance
- pay the service provider directly and request a receipt/confirmation.

Where the application of the consumer's liability amount, underpricing and prepayment reduces the non-completion entitlement to nil, the consumer is still entitled to reimbursement for alternative accommodation, removal and storage costs.

If there is a nil claim approval and where the consumer has a liability amount, the QBCC would only consider reimbursement under this section where the consumer has suffered a loss. For example, where the consumer has a liability amount, the entitlement would be calculated from the date the liability amount has been expended on alternative accommodation.

Refer to the Claims Procedures Manual and Claims Salesforce Processing Guide for details of processing claims for accommodation, removal and storage costs.

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