

ators for new telecommunications legislation, but it underwhelmed both the investment community and the federal opposition.

business case since early November and cabinet discussed the issues in early December, but it has waited to

with 7c local calls.

The prices are based on a revaluation of Telstra's fixed-line assets at

exchanges into the market would make it cheap and easy for retail internet providers to connect

Construction is expected to cost \$36 billion.

20/12/10 "Age"

Calliden backflip derails insurance plan

By BEN BUTLER

THE state government's takeover of compulsory building insurance is in disarray after insurer Calliden backflipped on its plan to leave the Victorian market.

Under a plan put into action by the previous Labor administration, builders' warranty insurance was to be taken over by the government's Victorian Managed Insurance Authority.

The takeover of the controversial insurance product was prompted by the exit of dominant player Vero earlier this year, which in turn prompted Calliden to quit the market.

But last week Calliden announced it had decided to stay in the Victorian market after all, because it had stabilised and believed there was "continued demand for an alternative".

"We are writing new business," a Calliden spokesman told BusinessDay.



Calliden says it is writing new building insurance business.

PICTURE: ERIN JONASSON

"There clearly is demand for an alternative and that is what we will provide."

He said Calliden had told the VMIA and the government it inten-

ded to remain in the Victorian market.

"We've had no feedback from either the government or the VMIA on this announcement," he said.

In October, an all-party upper house committee found the government's management of builders' warranty insurance, also known as domestic building insurance, was "fragmented and poorly coordinated".

Witnesses told the hearings the lack of protection offered by BWI, which only pays out if the builder dies, becomes insolvent or disappears, made the product a "farce", "worthless" and "unethical".

The government should look into moving to a first-resort system similar to that operating in Queensland, the committee said in its report.

New Attorney-General Robert Clark said he was seeking briefings "on the current state of the arrangements we have inherited from Labor and on the issues that need to be addressed, and I have asked for these latest developments to be included in those briefings".

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Buyers eye Burrup's ammonia

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PPB has a mandate to sell the highly profitable Burrup Fertilisers business which, with an annual production capacity of 850,000 tonnes of liquid ammonia, has one of the biggest plants of its kind in the world.

In an extraordinary statement to the Australian Securities Exchange, ANZ said it "expects to make a full recovery", reflecting its faith in Burrup Fertilisers being worth significantly more than the bank's direct exposure.

Driven by its proximity to key Asian markets and increased global demand for fertilisers, Burrup Fertilisers has drawn a high level of interest.

Yara, as an existing 35 per cent shareholder and with the offtake contract, will also be keen to buy Mr Oswal's stake, although it is likely to face fierce opposition from other international and local

Somerton sees big potential in Otway Basin acquisition