

We have some views on this.

1. The HII is part of the Building Act which was initiated primarily to protect the “mums and dads” and safeguard their interest in case a builder is declared bankrupt and unable to complete his contract. The Building Act covers all building contracts fro \$20,000 and up to \$500,000. Above this figure a home owner is supposed to be able to employ a lawyer and is able to deal with contractual issues in a more aware and sophisticated manner. It is therefore suggested that HII is applied to contracts above \$500,000.
2. The limitations of the HII are \$13,500 for the deposit (most deposits are at least twice as much as this figure) and a total of \$100,000 in any case.
3. The process of obtaining compensation is extremely difficult especially for “mums and dads” who are the very people the policy and Act are there to protect. The process is complicated and requires the appointment of a QS and/or lawyers all of which are costly and become a detriment to actually obtain compensation.

In conclusion we recommend that:

1. The HII is applied only to contracts below \$500,000.
2. The process is made easier in case compensation is sought or abolished altogether.
3. That the state governments are made responsible for it.

Trust above will help. Thank you

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