

Hello.

We have been in the building/renovation industry for 38 years

I would like to make submissions as follows, regarding proposed changes to the above insurance.

1. Bathroom kitchen and laundry and toilet renovations are not building work and should not require home indemnity warranty insurance. These types of renovations certainly have nothing to do with building of a house. These renovations which consist of some tiling, waterproofing, plumbing and fitting of internal fixtures, such as shower bases, vanity units, cupboards, replacement tap ware, should not be treated the same as building a house.

[The 6.5% deposits are miniscule (average \$1255), compared to the building of a house (around \$25,000) and can easily be refunded on the death of the building/renovating contractor. Builders already have to prove that they are in a good financial situation at registration renewal every year. We had a case recently where a couple changed their mind after signing a bathroom renovation contract. We gave them a full refund of their deposit].

2 There should be no extra insurance for bathroom, toilet laundry kitchen renovations.

But the contractor must be able to show his professional indemnity insurance to the householder quoting insurer, policy number, currency dates and what is covered.

Renovations such as outlined above should be treated as a separate category. We are already paying our professional indemnity insurances. This should cover non completion or insolvency and sickness and death. Adding another insurance for bathroom renovations places an extra unnecessary cost on the householder. On an average \$10,000 bathroom renovation the percentage insurance factored into the cost could be five times what it is for a new dwelling. It is unfair to the householder.


3. Home warranty and builders insurance should NOT be separated. The HIH builders indemnity/warranty insurance scheme in NSW collapsed as you may know and couldn't pay claims. There were various reasons. No money was the main one. Therefore, is it a good idea to separate the two types, Home warranty and builders indemnity. The insurers have to remain viable, profitable. Because most of the huge claims come from the home warranty sector. You would be handing the "cream" to the insurance industry while the building industry has to deal with the huge claims on the warranty insurance. They will go broke too. Or the premiums will be exorbitant. All houses move and settle in after construction.


Subsidence should be not included, but there should be strict guidelines regarding storm water runoff and evaporative air conditioner water discharge. We have inspected thousands of completed homes and the above is the main reason for subsidence even in sandy foundations. A pamphlet from the insurer outlining what is and is not covered by home indemnity/warranty insurance should be given to every new home owner. No gardens and untreated chip bark next to or near the house. Concrete footpath, not pavers in exposed areas sloping away from footings. Downpipe sizes and number of, matched to the M2 roof area. Down pipes plumbed in to soak wells. Air con. discharge water plumbed in or broadcast 5m away from the house.


Gabe Csukardy



Bathroom Facelifts

 300 Kalamunda Rd
Maida Vale 6057 Perth
Builders reg. no S1173
Completed res. Building insp. HIA 9714

 08 9352 8287

 0403741833

 admin@bathroomfacelifts.com

 www.bathroomfacelifts.com