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18th April 2013

Economic Regulation Authority
PO Box 8469
Perth Business Centre
PERTH WA 6849

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23 APR 2013	
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Action Officer	BILL SCANLAN

RE: Submission – Inquiry into
Western Australia's Home Indemnity Insurance Arrangements

Dear Sir/Madam

The fundamental issue on which housing Indemnity became part of the Home Building Contracts Act was the protection of consumers deposits, warrantee claims and completion of works in the event of a builders death, insolvency or disappearance. I believe our society functions at its best in a free enterprise environment and that individuals should have the right of free choice.

Government involvement in the free enterprise system has been exponentially increasing over the last 20-30 years to the point now that over 41% of the cost of new housing is attributable to government charges and red tape.

Prior to the introduction of the Home Building Contracts Act Housing Indemnity was available to all qualified builders, that is builders that met the insurer's requirements. As a builder I subscribed to Housing Indemnity Policies on my building projects prior to it being compulsory because it protected my clients and was a valuable selling tool for our business.

I believe most consumers are aware of this insurance and as such should be able to choose whether they want it and are prepared to pay for it, or not. The government's role should not be as a dictator but rather as an educator. That is, it would be better for the government to provide funding and resources to the education of building consumers in this area than it would for government to be prescriptive, and worse to become part of the insurance industry through guarantees or whatever.

Kind Regards

Tony Brine B.A Hons, D.T, T.C, MMBA, MHIA, R.B.
CC MBA – Mr Gavan Forster

Economic Regulation Authority 23 Apr 2013