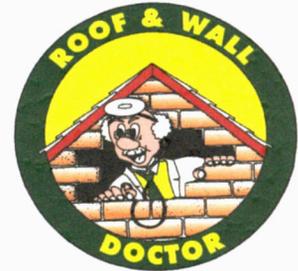


THE ROOF & WALL DOCTOR



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Members of The Master Builders Association
Members of The Master Painters Association
WorkSafe Asbestos Removal Licence 0037
Builders Registration Number 13172
Painters Registration Number 4146

6th May 2013

Economic Regulation Authority
PO BOX 8469
Perth Business Centre
Perth WA 6849
ATT: Peter Gow

Dear Peter,

I am writing to you in regards to the enquiry into WA's Home Indemnity Insurance Arrangements.

Effectively my submission is that the figure of \$20,000 as the start point for insurance is far too low. My understanding is that the idea of having insurance is to protect persons who are having a brand new home or additions constructed by a builder.

Therefore I cannot conceive of a house being built for anything less than \$100,000 but that could apply to an addition.

The Roof & Wall Doctor is a Registered Building Company. The great majority of our work involves the removal of an existing roof on a private house, and the replacement with Colorbond® or Zinalume®.

These contracts are always between \$20,000 - \$40,000. This means that the owners of the property (who are normally a married couple) on a figure of say \$30,000 have to pay a premium of \$842 plus a stamp duty of \$92 plus a brokerage fee of \$22, making a total cost to the consumer of \$954.

In our case we do not take any deposits, we do not take money for materials on site, we do not ask for progress payments. Most jobs would take approximately 1 week to complete and our terms of trade are payment in full of the total amount upon completion of the works.



The Roof & Wall Doctor offers a no leak warranty and our materials which are sourced from Bluescope Steel, carry their own independent product warranty. All works are supervised by our Registered Builder, which means tie downs that are designed by an engineer, are installed according to the engineer's directions.

My point is that the owner really has nothing to insure against. If I was having a new house built then the insurance would be quite appropriate. However as we are purely replacing an existing roof, and not building any structure, then what is the owner paying \$954 for?

On top of this direct cost my office is involved in arranging and paying this cost on behalf of the client which we later must recover. None of our administration cost is passed onto the client and we must absorb that ourselves.

Therefore I submit that the minimum figure for insurance to be required should be at least \$50,000 and realistically \$100,000. This simple adjustment would save a lot of paper work, and a significant amount of money for the home owner.

As I say the owner has all materials on site, we have built the roof and we have taken away the rubbish. At this stage we have still not been paid. We then carry out an inspection with the owners and the Registered Builder so that everyone agrees the work is complete, and we are now paid.

Thank you for considering my submission, hopefully it is of assistance.

Kind Regards,

Kevin Croon
Director