

From: [REDACTED]
To: [HBCreform](#)
Cc: [REDACTED]
Subject: Home Building Compensation Reform
Date: Thursday, 7 July 2022 9:16:07 AM

To whom it may concern,

This is in response to the request for feedback on the proposed reforms.

Firstly, it is SO disappointing how far off the mark both you and IPART are and that you do not listen to the industry nor are you able to look outside the flawed scheme you oversee.

With everything from droughts, fires, floods and COVID-19, our federal and state government is supporting small business owners however, it appears their agencies are not following suit.

Issue number 1

We are pretty much the only pool builders in our area who participate in the HBCF Scheme managed by ICare as most (if not all) other pool builders conduct their business through split contracts and therefore get below the threshold.

A practice although not illegal, certainly circumvents the purpose of the HBCF to protect homeowners from probably the very builders who conduct their business in this way. The only reason why the split contract process has been developed is to get around the flawed HBCF scheme - doesn't this tell you something?

ICare have advised our head office that their remit are the businesses who do participate in the scheme and therefore the split contract practice is not policed by them (nor anyone else, unless a matter is brought to Fair Trading as outlined in your discussion paper).

As a result, this is not a level playing field due to the cost to us to not only take out the "insurance" but also the onerous task of complying with the eligibility requirements and the substantial personal guarantees imposed on us as business owners who do participate. No wonder most pool builders do not participate!

Yet, most of the other pool builders in our area do not have to do any of this and stand a better chance of gaining the business due to cost alone and can focus on running their business as opposed to spending weeks preparing paperwork to comply with the scheme.

Issue number 2

Part of the HBCF approval and eligibility also limits how many pools we are allowed to do at any point in time. This is a restriction of trade imposed on us by a government agency.

As a result, we are unable to grow our business and as a result, the

very home owners you seek to "protect" are the ones paying the consequences through blown out timelines and escalating costs as we need to maximise the little opportunities we are allowed to do under the scheme. All whilst seeing our competitors growing and growing!

Issue number 3

The eligibility and review process is FAR too onerous - The amount of information requested is far more than any loan application I have ever had to complete for a bank.

The requirements and steps iCare are taking are completely unreasonable and the pressure and undue burden this places us under, is taking a significant mental toll on both myself and my family.

We truly do not understand how a government agency can be allowed to impose a restriction of trade as well as allow the vast majority of pool builders not to comply.

The reform alternative

Just so that you are aware, in QLD, the pool builder simply completes a single page document for each job and pay only \$100-\$200 per job, which means that most (if not all) pool builders comply. There are no onerous eligibility requirements, annual or quarterly reviews, nor are there any limits placed on the maximum number of pools they can have open/install - no restrictions of trade! The system works on the same principle as an insurance policy! In speaking with my QLD colleagues, every pool builder complies and the scheme actually works (and does not need to be propped up by the government ie. taxpayer)!

In contrast, every time we take out a policy with iCare, it costs approx. \$500-\$600 and they keep track of how many open jobs we have and that way limit how many open jobs we can have at any one point. This is a restriction of trade, especially considering every pool builder who chooses to circumvent the system (which most do), can do as many jobs as they choose and as a result also be more competitively priced.

In addition to this, the eligibility requirements imposed by your scheme required us to deposit funds into our business bank account from our personal funds, as they deemed that we did not have enough cash in the business and they also required us to sign a personal guarantee for the business of \$276,000.... This year we have just left the cash in the business (against all advice from all the accountants) just to comply with the flawed Home Building Compensation Scheme eligibility requirements.

This feedback is from the lense of small projects, for us swimming pools however, the scheme is trying to encompass a one size fits all (with some tweaks as proposed in the discussion paper). The scheme needs a complete overhaul and not just tweaking around the edges as you propose. This will also make it easier for you to manage and more importantly less money wasted for the taxpayers to pay for

administration of a scheme that is broken and losing money!!

Being in business is hard enough (especially at the moment) and we want to work within a fair system that ALL pool builders comply with. Queensland's scheme is not running at a loss and broke like the one in NSW and this alone is proof that if you make the system easier and not harder, more people comply and EVERYONE wins!!

Kind Regards,

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