

State Insurance Regulatory Authority

26 July, 2022

My Name:

[REDACTED]

Address:

[REDACTED]

Mobile #:

[REDACTED]

Email:

[REDACTED]

Mr Christian Fanker

**Director, Scheme Design, Policy and Performance,
State Insurance Regulatory Authority.**

Dear Sir,

Thank you for your email dated 9 July, 2022, inviting me to “Have your say on reforms to compulsory building insurance”.

I will list my answers to your questions in numerical order, as set out in the Discussion Paper. There may be some questions to which I do not feel I can answer because they are not applicable to me.

You also asked if my answers could be made public. Yes, I consent to that, but I wish to remain anonymous.

Question 1: Yes, because victims would assume any licensed builder had the necessary insurances so all work should be insured. And if the builder didn't

have the necessary insurance then they should be penalised by losing their licence and the victim should be able to claim.

Question 2: No. All uninsured work should be covered whether it requires planning consent or not.

Question 3: Yes

Question 4: Yes - definitely

Question 5: Yes – definitely.

Question 6: No, as the associated losses may be necessary depending on the circumstances.

Question 7: No because some defects may not arise within the warranty period. Warranty periods should be for the expected life of the works that have been completed. For example, foundations should never fail or if they do it would be 40 plus years after they are done, whereas the waterproofing in a bathroom may have an expected life of 20 years before it fails.

Question 8: Do you mean 'maximum' amount of cover to increase to \$400,000'? You've written 'minimum' in your question. **It says should the minimum amount be increased to \$400,000.00. I understand that the maximum now is \$340,000.00.**

I believe there shouldn't be a capped maximum amount. If the defects total \$600,000 then that's what I should be paid. It's not the owner's fault if the builder has deceived them with shonky work.

Question 9: Yes. It would make sense for one contract to cover the whole process from start to end and for the total amount of cover to be higher at \$800,000 rather than \$400,000 even though I believe the amount shouldn't be capped at \$800,000. See Question 8.

Question 10: You won't need to review it at all if there is no limit. See Question 8. However if you were to cap the amount then you should review it at least every 3 years to keep up with inflation and rise in building costs.

Question 11: No. There should be no cap at all. All work agreed to in the contract should be completed and if it isn't, then all uncompleted work should be paid for.

Question 12: I can't answer this question as I don't know which projects SIRA would typically exempt from insurance. However wouldn't it be much easier if the builder specified in the contract whether the works were exempt or not? This would avoid much confusion and the need for owners to have to search and check for themselves.

Question 13: No. This way more works are covered by insurance.

Question 14: Every 5 years.

Question 15: No. This would just encourage builders to take advantage of owners because they believe they can afford to cover defects on their own. Defects should not be acceptable by any owner.

Question 16: Yes – definitely. All building work should be insured.

Question 17: No. This would only encourage shonky builders to take advantage of the situation and the apartment owners would then have to pay for defects to be fixed.

Question 18: No, because then the government (ie taxpayers) would have to pay for the defects. Also this would encourage builders to take advantage of the situation and perhaps cut corners to save costs for these types of projects.

Question 19: No. See Question 18.

Question 20: No. See Question 18.

Question 21: No. See Question 18.

Question 22: Don't feel I am qualified or have enough knowledge to answer this question.

Question 23: Don't feel I am qualified or have enough knowledge to answer this question.

Question 24: Seems like a valid idea.

Question 25: No.

Question 26: N/A.

Question 27: Yes.

Question 28: Yes.

Question 29: Yes.

Question 30: Don't feel I am qualified or have enough knowledge to answer this question.

Question 31: Don't feel I am qualified or have enough knowledge to answer this question.

Please read on:

Additional comments

Now that I have finished your questions I would like to make further comments.

I believe strongly in the saying:

“ PREVENTION IS BETTER THAN CURE. “

SO BUILD IT PROPERLY IN THE FIRST PLACE.

So I offer you the following because I believe that insurance payouts could be far less if the following were implemented:

1. How is a builder assessed to be granted a licence? Is he/she tested on the Australian Standards? Or what other requisites are required? If you wish to be a doctor, a nurse, a teacher, an engineer, etc, you have to do a lot of study and pass certain tests. My home does not meet the

Australian Standards in so many fields. Should a builder have his work checked every five (5) years or how would a regular check be done?

2. I believe that what my builder has done, and no doubt what many others have done as well, amounts to a criminal offence. If a builder knew that his/her assets could be sold to pay for shoddy workmanship, or assets which have been listed under family ownership, these people would think twice about what they do. And just think of the money that the State would save on insurance claims.
3. After my experience I believe that private certifiers should be replaced by local council certifiers. You pay beforehand and quite often wonder what you have received for your money. In my case very little.
4. It should be a requirement that **a tradesperson who is qualified in a certain trade, DOES THAT JOB.** When I queried Fair Trading on this matter I was told that the builder can engage whoever he wishes to do that job.

My situation.

I could write for hours about my experience with my builder. Even though my builder has gone bankrupt to escape dealing with his shoddy work can he or his sons apply for a building licence in 5-10 years and what checks are in place to make sure this shoddy work is not continued to someone else?

The exterior sliding doors on all three levels of the house have not been installed correctly. Hence water has been coming in to the middle level of my house, from the top level sliding doors, since 9 February, 2020. The middle and lower level sliding doors are mostly protected by the roofing above. However they have not been installed according to Australian Standards. These were installed by the builder's sons who were carpenters. When the rain comes from the north it can be like a waterfall in my house. So I have lived with towels and buckets on my floor for two and a half years. Also I have not had a kitchen light for two years as the water flooded through it and blew out all the lights on the middle floor.

The indoor tiling was done by the builder's sons. NOT TILERS. One ensuite cannot be used because it leaks out onto the carpet and if the shower recess has been waterproofed it certainly is not waterproof, because the water runs down and through the ceiling into the middle level. Other bathrooms have also not been tiled according to Australian Standards and need repairs.

The balcony on the upper level was also tiled by one of the builder's sons. It is like a small lake when it rains because the overflows are at the highest point and the water at [REDACTED] does not run uphill.

On the morning of 10 February, 2020, we found that downstairs was flooded by rain water. The builder had been told about an underground spring and installed a \$50 pump which I bought because he told me it would be sufficient. Well ever since, we have had to watch the levels very closely and bail it out. If my son cannot come in during the day and help me when it is raining, or for several weeks after, I have to do it myself. On some days I have emptied up to 300 litres of water. I use a jug to fill an eight litre bucket, then I carry it out and empty it. I am only able to carry eight litres at a time. This has controlled where I am able to go. I can go to the local shopping centre but there would be no way I could travel further afield.

Then there has been the legal costs. In legal costs and having reports prepared I have spent tens of thousands of dollars. Indications are that the cost of repairs could exceed \$340,000.00. Money I cannot afford.

I have also had to pay for work which the builder did not do or would not do. He only provided pool fencing for three sides of a pool which has four sides. He refused to put up the fourth side fence. Well Council would not pass that one. A built-in wardrobe had to be done, landscaping was not done, rendering had not been finished on the house, electricals were not finished, and many more items were not completed. All of this I have paid for myself.

I HAVE PAID TENS OF THOUSANDS OF DOLLARS IN LEGAL FEES AND SPENT HUNDREDS OF HOURS OF MY TIME AND NOW MY BUILDER GETS OFF SCOT-FREE. HOW IS THAT FAIR ?????

I thank you for reading my letter. I would be more than happy for you to contact me for further comments on the situation I have been in with my builder. He has, in my opinion, no ethics or moral standards. He has lied to Fair Trading, he did not pay his subcontractors, and I have spent thousands of dollars finishing off work which he told Fair Trading he would do and never did.

Oh, and I also failed to mention when discussing the situation with bailing out the water under my house, is the fact that I can only carry eight litres of water at a time, because in several months, I will be turning **EIGHTY**.

Kind regards,

Yours faithfully,

A solid black rectangular box used to redact a signature.