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To: HBCreform
Subject: Eligibility guidelines

To Whom it may concern

We reply to the focus questions in relation to Eligibility Guidelines and maintain the same question numbers as in the discussion paper.

1 HBC providers should retain flexibility to set their own standards but SIRA should prescribe the principals and standards expected.

2 Contractor eligibility should be portable without the need to be continually reassessed.

3 Sira should be required to share all information it holds on contractors. Non sharing of information could have a deleterious effect on the contractor.

4 HBC providers should be obliged to offer insurance if that is the market they are in and eligibility criteria are met.

5 The most difficult aspect is the less than transparent view of ANTA and method of calculation. Accountants need to have the knowledge to enable companies to comply with the requirements . Very hard if the exact method of calculation is unknown. In our case, each review costs in the order of \$20,000.00 to \$30,000 in time and accountancy costs.

6 As per number 5

7 Risk is mitigated, but consumer law as it stands will not prevent insolvencies.

8 There should be more weight given to track record and type of contracts undertaken.

9 We believe that the methodology should be transparent but only to those in the industry and not the general public. This would provide some comfort for the recipients of the eligibility process without the public misinterpreting the meaning of the criteria.

10 Type of contracts undertaken, type of work undertaken, financial ability and financial strength as well as length of service and ability.

11 All of the above (10) are important.

12 There are issues with restrictions as the industry generally needs to be flexible in its approach to the many different facets and types of construction. No two jobs are the same .

13 The thresholds for contractors eligibility should be flexible, including differences in premium cost (preferred) and tighter accounting overview. The arrangements should be regulated to prevent over the top demands.

14 As per question 13. Sira could have a sliding scale based on eligibility data

15 The dispute mechanism in place are less than satisfactory in terms of time taken to resolve disputes, but the methods appear adequate.

16 Young contractors should be encouraged to become eligible for larger single construction types. This may be in the form of a mentoring scheme together with good accountancy practises making the base of a model. It is simply not enough to say that because a contractor has put up sufficient capital they will be low risk.

This type of mentoring should be the province of the industry associations.

17 n/a

18 n/a

19 Regional locations should have lesser eligibility requirements. Smaller communities should have encouragement for their contractors to stay and be apart of the community

20 Type of product offered should have a major impact on eligibility.

21 A consumer should be offered a range of products which they could choose from. In the end , it is the consumer who benefits from the product protection they choose. This in turn would give large scope for different elligibility standards

22 Collection of data will depend on the type of data collected. Some data may have an entitlement to privacy protection. We do not believe that data on its own will predict insolvency.

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24 SIRA should maintain an overview but data analytics should be up to the individual providers.

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26 Public Contractor information should be restricted to License category and work category. More than that will pose potential privacy issues .

regards

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