

## Senate Enquiry Home Warranty Insurance

### Section (A) Appropriateness and Effectiveness

Corruption of Entire Insurance Industry and the resultant ineffectiveness of both political parties, Labour and Liberal, in dealing with problems posed by this corruption.

- (a) Home Warranty Insurance, 8 years of insurance and developer interference in the lives of small to medium builders (mainly family businesses). Many suicides and bankruptcies.

Totally useless insurance (enclosed 3 page article "Choice" consumer magazine reprinted by Master Builders Association.)

Insurance Companies Master Builders Association, Housing Industry Association Affiliated Sub Associations, past and present have participated in:-

- Unconscionable Conduct. Taking unfair advantage of superior positions. Causing industry wide hardship.
- Misrepresentations. False promises on quality and benefit to consumers. Benefits to consumers almost zero. Insurance products and vested interest Building Products as detailed in enclosed "Bathroom Book" related matters.
- Harassment. Debt collection \$20,000 bank guarantee demanded prior to insurance access. Resulting in the suicide of many builders including Adam Reagan – Orange, N.S.W. Enclosed Sydney Morning Herald newspaper article Miranda Devine.
- Agreements between HIA and MBA lessening insurance availability for effected builders. 60% of NSW builders as detailed in enclosed Master Builders Association magazine article.
- Misuse of marketing power. Section 46 Trade Practices Act.
- Restrictions by MBA and HIA on purchase Home Warranty Insurance as well as misrepresentation on goods and services as well as insurance.
- Associations supposed to be "not for profit" should be altruistic to help builder members. \$28 million Insurance profit in one year by the Housing Industry Association.

Useless consumer protection with no ability to claim against faulty products (see related matters). The decision as to fully qualified builders being able to work or not was, incredibly, given to clerks in insurance offices.

This total corruption was organised by the Housing Industry Association and the Master Builders Association for developers who did not have to supply Home Warranty Insurance. Mendacious thieves who have ruthlessly ruled the Building Industry for many years, quite certainly for the past eight years have acted in a traitorous manner totally without any altruism whatsoever. 60% of builders unable to work at all or at a greatly reduced level of efficiency and volume of work despite having assets and experience. ABC 7.30 report enclosed details.

The corporate entities of the MBA and HIA should be deregistered by ASIC and the conflict of interest with supplying insurance and profiting despite being a non-profit organisation should be fully discouraged and investigated by ICAC.

The HIA and MBA are restricting the trade of many builders in order to supply slave labour for corrupt developers, in contravention section 52 Trade Practices Act. See also evidence from Builders Collective Victoria (Phil Dwyer).

(b) Consequences of removing consumer protection:

The incredible myth that this is protection for consumers (Home Warranty Insurance) is the result of corruption of the labour party in NSW, Victoria, Western Australia and Tasmania. In NSW the Greens and Fred Nile voted for Home Warranty Insurance in the Upper House of Parliament N.S.W.

(c) Removing Home Warranty would not affect consumers and would be a national benefit. An option would be revamping Home Warranty Insurance with limited cover that would be affordable and achievable for a Federal Government Home Warranty Insurance (eliminating Private Insurance). Even limited cover would surpass current Home Warranty Insurance.

(d) Reform of Australian Standards are required via further CSIRO research which needs to be independent of manufacturers as all research at the moment is motherly research, with no consumer protection, all the faults are continually covered up by the Housing Industry Association and Master Builders Association and manufacturers who have successfully blamed tradesmen and builders (enclosed Tasmanian Attorney General letter).

The Building Code of Australia, despite having funds available, does not support independent research and is only a rubber stamp for imperfect standards. All codes follow Australian Standards. Enclosed application to BCA for Research and development.

R + D costs would be proactive, for independent research.

Building Research would be at the CSIRO Highett, Melbourne, Victoria, and at the Water Research laboratory at Manly Vale, Sydney. (University of N.S.W. and N.S.W. Department of Commerce).

Key problem areas such as waterproofing, tiles, tile adhesives, roofing, balconies, see enclosed Bathroom Book Standards, Australia.)

The benefits would be a removal of confusion by architects, builders and consumers when selecting materials and procedures for building and renovating homes.

The need for Home Warranty insurance would be lessened. Any Home Warranty Insurance if implemented should have a heavy bounty on developer's projects. At present corruption has allowed developers to avoid home warranty insurance. Major problems with leaking showers in development high rise apartments.

Developers, MBA, HIA have had a callous disregard of builders breaching their basic human rights with serious breaches of the Trade Practices Act. Corrupt benefactors from the insurance Industry supplied millions of dollars in slush funds for the Federal or State Labour parties to silence any worthwhile action to instigate consumer protection and to disallow collaboration with equally corrupt Developers.

That this rampant narcissism sanctioned by fellow Australians, is a national disgrace, those involved cannot be shamed as narcissists as their ruthlessness cannot even see that their mendacious theft is anything to be accounted for. The asset stripping of Ansett Airlines resulted in the suicide of 30 men and women from a total staff 16,500 affected builders and tradesmen would number 200,000 Australia wide. A total number of suicides would be difficult to determine exactly.

Rodney Adler (FAI Insurance) infamously stated that he had not hurt anyone. (sic). The MBA collaborated with Rodney Adler in the destruction of the Building Industry with no remorse and no compassion for their fellow Australians and qualified builder members. The extent of suicides of builders would be close to 100.

The deception and litany of lies told by MBA and HIA to protect their vested interests which include corrupt manufacturers and insurance companies is in total conflict with their advertised position of trust and duty of care to builders, tradesmen and consumers.

Full conflict of interest insurance.

## Related Matters (Keith Atkins as an Industry Whistle Blower).

Keith Atkins v/s Master Builders Association of NSW.

Federal Court Case NSD 965 of 2005 was necessary to prevent the enclosed "Bathroom Book" being totally defamed, and withdrawn from sale, so as to facilitate the publication of the MBA Waterproofing Manual. The MBA lied to the court regarding their corporate status, maintaining the myth of the MBA being altruistic and acting in the interests of all builders. The MBA copied all major aspects of Keith Atkins bathroom book, no research and development by Master Builders Association. A ten year campaign to defame material in the "Bathroom Book" eventuated.

In 2004 the Master Builders Association published all research previously defamed. Through the Master Builders Association and Housing Industry Association defamation campaigns from 1994 all progress was thwarted when applying from various government authorities for development grants to conduct additional research into waterproofing and bathroom construction which were:

- (i) Research and development to Ausindustry August 2003 a research grant in the sum of \$250,000
- (ii) Research and development application to the NSW department of commerce in the sum of \$200,000 (2004).
- (iii) Research and development application to the Australian Building Codes Canberra in the sum of \$50,000 (2005). All projects interfered with or stolen by Master Builders Association during 2003, 2004, 2005.

## 20 Major Changes to the Bathroom Industry

In enclosed detail the 20 major changes to bathroom construction which would the need for claims on any future Home Warranty Insurance.

## Related Insurance Matters

- (i) Panel Beating Spray Painting Vehicle Industry. Almost total destruction of family businesses by the NRMA and other Vehicle Insurers. Many suicides and bankruptcies.
- (ii) Workers Compensation. Corruption and non payment of claims. I have had Workers compensation Insurance since 1979, first claim 1999. GIO attempted to bankrupt my company in 2000, despite having a current claim, from 19-5-1999. GIO demanded \$7,000 premium payment then commenced action in the Supreme Court with added expenses of \$4,000 costs which had to be paid to stop proceedings despite still being injured. These examples of Insurance corruption continue to occur in 2008 with an unknown number of suicides and bankruptcies.

## General and Home Insurance

Non payment of claims or long term delay on claims. Fraudulent activity.

## Motor Vehicle Insurance

Total malicious destruction of repair businesses, to obtain bigger profits for Insurance companies. A local client of mine, a very well respected wealthy Panel Beater/ Spray Painter, was saved from bankruptcy by a class action organised by his company and his industry peers.

## Workers Compensation Insurance

Complete fraud, this insurance has unjustified high premiums, limited payouts as with Home Warranty Insurance. Outrageous profits from insurance companies, many Australians suffering from their criminal fraud/ see enclosed newspaper articles, (being sent by express post). All insurance is a pathological narcissist's picnic with totally current corrupt practices. Workers Compensation Commission Insurance companies continue unconscionable conduct.

## Summary

All areas of insurance in Australia are a total malicious fraud.

### 1. Home Warranty Insurance

Total criminal fraud, with some participants gaoled, a need for ICAC investigation, the only way to a resolve. I spoke to Terence Cole the Royal Commissioner, he lamented that the limited terms of reference excluded Home Warranty Insurance and faulty products. This would again be limited by corruption, if a royal commission was held.

Home Warranty Insurance only pays for claims on the death, disappearance or bankruptcy of the builder. All three are being caused by the insurance fraud.

I request a personal appearance at the Inquiry to highlight further examples of this corruption and to explain theories on possible elimination of future problems.

Keith Atkins

**(E) RELATED MATTERS (FAULTY PRODUCTS AND THEIR REMEDIES TO EASE INSURANCE CLAIMS ON HOME WARRANTY INSURANCE)**

**KEITH ATKINS BATHROOMS**

**Re: Bathroom Book  
©Keith Atkins (Contract 1994)**

**Standards Australia  
Major changes to Australian Bathroom Standards 1994**

Australian Bathroom procedure exclusives:

1. Villaboard cement fibre sheet recommended (excluding gyprock, green board). Green board banned 2006 in the USA by the American equivalent of the CSIRO. Australia still not conceding a ban is required, despite many failures (other procedures relevant to Villaboard 7 and 16). Villaboard photographed exclusively in The Bathroom Book. Standards Australia requirement not to name Gyprock as an exclusion.
2. Excluding particle board flooring (contains excessive amounts of formaldehyde and disintegrates after long term exposure to water.) No warranty. Many bathroom failures with replacement costs as much as \$15,000 per bathroom. Many failures occur when particle board is used in conjunction with acrylic or polyurethane water resistant paints which pose as waterproof products. Fully promoted by Master Builders Association and Housing Industry Association.
3. Skirting tiles cut over finished floor. (Conventional tiling whole walls are tiled and floor laid butting up to wall tiles.) Allows water to soak into tiled floor cement bed (has a direct vertical line into tile bed)
4. Centring floor tiles in shower recess allowing better drainage and appearance. 4 tiles surround floor waste, as the starting point for floor tiling in bathrooms. Starting point has traditionally been at doorway, with tiles not necessarily surrounding shower floor waste evenly.
5. Major changes to bathroom design including large slip resistant waterproof with hobless angled shower recesses allowing better access to bathrooms.
6. Waterproof sheet membrane flooring instead of painted water-resistant acrylic and Polyurethane membranes. Painted membranes susceptible to attack by citric acid from cleaners and shampoos. No warranty on manufacturer's faults. Tiler or builder always blamed. Department of Fair Trading bankrupting or causing major grief to tilers and builders for 30 years (since 1978). Unfair Star Chamber hearings have not changed in 30 years with justice eluding any tradesmen or builder unlucky enough to have a dishonest client. Keith Atkins overturned the Department of Consumer Affairs hearing in Supreme Court Atkins v/s Cunningham/

Consumer Affairs 1980/81 with hearing in Supreme Court Justice Andrew Rogers presided, formerly Head of Supreme Court.

7. Cutting Villaboard above floor level to avoid capillary action. Silicone placed both sides beneath Villaboard with glove. James Hardie refusing procedure since 1994. Avoids discolouration of tiles due to water absorption in the tile biscuit. Water stain can rise in wall board and tile to a height of one metre.
8. Folded corners to shower tray, excludes welding which weakens corners. Welding can allow tiny holes, and becomes the weakest part of a waterproof tray. Folded corners best re "Bathroom Book". Copper or stainless steel can be used as a waterproof tray much maligned by vested interests since 1980s especially the Housing Industry Association and the Master Builders Association.
9. Use of large tiles to walls and floor in shower recesses. Australian first by Keith Atkins. Fully resisted by Tile Merchants Association, Technical and Further Education, and the Master Builders Association. The Housing Industry Association which included other vested interests (CSR).
10. Paper tape instead of cloth tape to joins in Villaboard sheets avoids cracking of tiles, especially horizontally. Use of adhesive instead of wall board bedding and finishing cement. Greater adhesion of adhesives.
11. Baths and shower bases fixed with cement based tile adhesive then placed of mortar bed. Australian First. (Achieves low profile). Now adopted by both manufacturers Australia wide. Previously, baths laid on bricks or a concrete plinth up to 150mm high.
12. Tiling to all masonry surfaces i.e. brick and block work:  
Cement rendering of all walls when covering brickwork. Using Sil-o-sec cement based waterproofing to brick walls then applying cement render 4 sand 1 cement ¼ plastermaster, or lime. Cement based tile adhesive screeded onto finished wall next day. As opposed to any waiting period up to 30 days was the old edict. No tile failure in 40 years by Keith Atkins. This procedure only now being adopted widely in the industry.  
An example of poor tiling technique is to be found in the Cahill expressway tunnel. Many tiles failing due to antiquated procedure still used in the industry and taught at TAFE Randwick.  
(Sil-o-sec used in "Tank stream" tunnel, George Street to waterproof walls.)
13. Hob-less showers using large tiles to floors as large as 600mm square. Large tiles excluded by Technical and Further Education as too difficult since 1989, only now conceding their use.
14. Raising waterproof tray 6mm above floor level to give mechanical flashing of Hob-less showers. Falls to floor wastes either side. Fiercely opposed originally, 1989, by Technical and Further Education, Master Builders

Association, Tile Merchants Association.

15. Exclusive use of safety glass in shower screens, with semi circular screens, and hobless showers. Campaign for replacement of all existing non safety glass in old bathrooms. Deaths have occurred from falling through non safety glass.
16. Exclusion of waterproofing to fibre cement wall board to allow greater tile adhesion and strength. Old Technical and Further Education procedures detailed by former Technical and Further Education principal Bill Davies author of Technical and Further Education instruction manual 1950's and 1960's and an avid research and development advocate. When Bill retired he rang me to give me the opportunity to apply for position as principal.
17. Semi circular shower recesses with hobless tiled floor. All copper trays have sheet-roofing membranes beneath tray and extended up the side of 50mm and 100mm right-angled sides. All trays recessed in stud work and brickwork. Procedural photographs in The Bathroom Book 1994. a world first in construction standards.
18. Double flashing technique, using "Shelta-seal" plastic and bitumous sheet roofing membrane covering entire floor, with conventional flashing behind wall, and flashing to wall and floor juncture on the outside of wall and on top of substrate. Floor tiled and membrane cut with Stanley knife, making wall board and floor flush, allowing wall tile to be cut over floor without tilt in alignment of wall tiles. Wall tiles out of plumb in paint-on membrane showers which have to adhere to 3 coats of paint and are necessarily out of plumb. Their alignment allows for water resistant paint. 100mm high, on villaboard wall (floor painted completely).
19. Circular bathrooms internal and external curves. Non slip floors with slip resistant tiles many with sand beneath glaze of tile. CSIRO slip resistance and full bathroom R + D at Highett, Melbourne. New research from CSIRO and Water Research Laboratory, Manly Vale for New Edition The Bathroom Book 2008.
20. No research was conducted by Master Builders to produce their waterproofing manual book. Completed in 2004 an Aus industry \$250 000 Research Project by Keith Atkins 2003 was a 120-page research project to highlight faulty products and procedures. All R&D originated from The Bathroom Book 1994, and copied by the Master Builders Association, without acknowledgement or permission. NSD 965/05 Federal Court Justice Kevin Lindgren suggesting defamation and restriction of trade. Action to be taken late 2008 in the Federal Court 2010 cut off date for legal action.



Unrelenting defamation by the Master Builders Association particularly General Manager Brian Siedler, and 6 co-authors of the Master Builders Association waterproofing manual. Technical and Further Education Principal Colin Cass has caused total industry confusion and has misrepresented many products and procedures.

The Bathroom Book is small in size by virtue of restriction by vested interests including James Hardie CSR, Master Builders Association, Housing Industry Association and Tile Adhesive Manufacturers DAVCO and ABA.

Despite many attempts at a new edition of The Bathroom Book vested interests have continually blocked its publication since 2000 when a 2<sup>nd</sup> edition was printed. The book and the author were vilified because of the “whistle blowing” content and incredible jealousy and defamation regarding its radical futuristic procedures, but now fully adopted by the industry. (Copied in the Master Builders Waterproofing manual 2004, without acknowledgement of “The Bathroom Book”).