

Committee Secretary, Senate Economics Committee  
Department of Senate  
P.O Box 6100  
Parliament House Canberra ACT 2600  
Australia

Dear Productivity Commission,

Please accept this advise.

I have been asked by Phil Dwyer of the Builders Collective of Australia to provide to you a brief run down of the terrible experience both myself and my partner Monika Walters have undergone with Home Owners Warranty Insurance ( or lack there of ) .

As stated both myself and my partner Monika Walters undertook a project to build a home at our current address of 10 Bird Street Mount Eliza through a registered Building practitioner ( Perrin Constructions Pty Ltd ) .

During our construction the said Builder disappeared from our building site. Our attempts to locate and communicate with this builder proved fruitless. We then lodged paperwork with Viro Insurance under our Home Owners Warranty Insurance. Even though we had already been through an ordeal with our builder the experience and way were treated and the outcome from this so called insurance has been to say less than acceptable.

The paperwork lack of communication and settlement of our case has been absolutely appalling. After many months our builder who had not died but had disappeared finally declared himself insolvent. Until that time we where put from pillar to post all while the dwelling continued to delapadate sitting unfinished.  
Finally after this Viro proceeded with our case however it did not improve.

We undertook to finish the property ourselves after not being able to engage another builder to fix clean up and finish the property. The costs that they projected to finish were unreasonable and impracticable. We tried every avenue we could for assistance through the HIA and other parties even local government to which all were a complete waste of time. The Building Practitioners Board were also a complete waste of time .

We eventually finished our property and have continued to repair and maintain it since at our own cost. We settled with Viro after continually battling to achieve only the costs we incurred to finish however Viro depreciated our settlement by \$40,000.00 and penalties of \$30,000.00. During this entire process we continued to rent and incur extra costs and emotional stress to which **Viro continued to delay our process**. None of this was taken into consideration and work done by the original builder was incomplete and defective to which we had done a full report detailing. These figures are approximates however all documentation including articles on our situation from the financial review can be provided.

We have incurred substantial financial loss emotional stress and strain throughout this entire process that went on for over 2 years. We did our homework initially but through our situation have been appalled at the lack of regulation and management in the building industry and Home Owners Insurance. I can not believe in such a regulated world the lack of protection for consumers and the behind the scenes commissions to all involved. Including the HIA to which did not even want to hear our story after we went straight to the top after learning they they to receive a commission from our insurance. There is absolutely NO protection for the consumer or penalty to those who do the wrong doing. My experience with Home Owners Warranty and especially Viro Insurance and I use that term very loosely was the worst I have ever experienced. As I work in a Finance Environment helping those who are undertaking the same project I myself undertook to which I found myself in this predicament I and my colleagues worn people very carefully of the lack of Consumer protection .

The saga continues with repairs and claims through Viro for leaking roofs and damage to which after 2 months we still do not even have a response from them. Our property continues to deteriorate.

The financial loss emotional stress and time spent on our situation has caused problems in our relationship employment and future financially. The entire situation has been completely unacceptable. The only assistance we experienced through this entire process was from the Phil Dwyer from the Builders Collective obviously our situation was far too hard for anyone else including local government.

Regards,  
Peter Watts |