

5 September 2022

Hon Peter Foster MLC
Chair
Standing Committee on Environment and Public Affairs
Legislative Council Committee Office 1
8-32 Parliament Place West Perth WA 6005

Dear Chair,

Re: Petition No. 053 – Home Indemnity Insurance

Thank for your correspondence dated the 15th of June and for your invitation to make a submission for the Committee's preliminary investigation of petition No. 053.

My name is Tiarna Nouwland and together with my husband Joel and our four daughters, we decided to build our forever home in January 2021. At the time, we couldn't find a home suitable to buy established and after much deliberation we decided to design our own house which had been a dream of ours for many years. We appointed a custom home builder Home Innovation Builders and signed our contract in March 2021.

In order to facilitate the finance of our build, we sold our family home and moved between Airbnb properties as we weren't successful in finding a rental due to the rental crisis since Covid 19 pandemic. The slab of our new build was poured in August 2021 and plate height (bricks) completed early October 2021. In October 2021, we moved into a 12x9m shed on our 1-hectare land where our new home was being built as funds had dried up using Airbnb's for 5 months straight and we needed a stable environment for our children and pets. Given we were told by the builder the month before a completion date would be February/March 2022, we thought staying in the shed for a few months only would be ok.

Once plate height was completed in early October 2021, that is when the progress of our build completely stopped. We were told material shortages were the reason for the delay and there would be a couple months wait for roof timber to be delivered. In February 2022, our builder contacted us to say they were going under and would not be completing our build. At this stage, we had paid our builder \$210,000 of a \$410,000 total contract and were awaiting a \$15,400 credit due to paying for site works ourselves which never eventuated. As you can imagine, this was soul and dream destroying and put us immediately under a lot of stress.

After 2 months of waiting and trying to get answers or basic communication, our builder finally appointed liquidators in April 2022 with 11 houses unfinished and hundreds of thousands owed to contractors. However, now the building company was in liquidation, we were able to start the process of claiming Home Indemnity Insurance through QBE. After getting multiple quotes from various project and custom home builders, it was apparent we were in real trouble. Our cheapest quote to finish our house from Plate height came in at \$470,000 (with many fixtures and fittings removed) and the most expensive quote was \$600,000. As we only had \$200,000 left to draw on our mortgage plus the maximum claim payout of \$100,000 less \$500 excess, we still had to find \$170,000 to finish our build.

We spoke to our finance broker, as well as our bank and there was no way possible of coming up with the extra money to finish our build and the bank would also not consider approving us as owner builders either.

The stress of it all was taking its toll mentally and financially and my relationship with my husband was at breaking point. It was do or die. My children were suffering, it was now winter, and it was freezing inside the shed and my special needs daughter was not coping. With no other options, we sold our half-built house and 1 hectare land in June 2022 at a financial loss.

We are now in a tiny 3x1 short term rental, struggling to financially recover from our losses and move on. The directors of the building company have since started up two new businesses, and had all their properties moved into discretionary trusts before going into Liquidation so are completely unaffected and are able to live life as normal.

I am pleading for an urgent review into the Home Indemnity Insurance policy as it is not sufficient given the huge rise in material costs and doesn't accurately reflect the current state of the building industry and needs to better protect new build homeowners. We are only one of hundreds of families affected this year by builders going into Liquidation and facing homelessness, financial ruin and mental health decline.

Please do not hesitate to contact me should you require further information.

Thank you for your time and consideration.

Kind Regards,

Tiarna Nouwland