

Midwest / NorthWest Building News

JANUARY HAPPENINGS



Eddie's Corner #1/2016

ENERGY EFFICIENCY COMES OF AGE

On the 1st of January the game changed. The government introduced a requirement for all NatHERS assessors to have completed a Certificate 1V qualification. Assessors without this qualification are unable to issue NatHERS 6 Star certificates.

Since 2002, True North Energy has always provided professional service to our many loyal clients. We pride ourselves on achieving standards in our work that many in the industry regard as second to none. More importantly, we provide what the home owner is looking for, namely:

- a comfortable house to live in
- a house that is energy efficient
- a house that is economical to run, and
- a house that is cost effective to build.

There are four pathways to compliance:

1. NatHERS 6 Star - this must include the whole house.
2. Elemental Provisions - this can include just the alteration & addition *OR* it can include the existing house as well.
3. Protocols (WA only) - this is a combination of existing building, alterations and new additions. This achieves an averaged result.
4. Verification using a reference building.

Only the NatHERS pathway is a **6 Star** rating. If your client expects to own a '6 Star' house, there is only one pathway that will meet those expectations.

I wish you well for a profitable and rewarding 2016.

Regards

Eddie Roe

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From the Region



Events / Training

- Asbestos Removal & Asbestos Awareness 5th February - Geraldton
- Copyright & Adjudication - Q & A - RSM MBA Insurance & Jackson McDonald 25th February - Geraldton
- Metro Housing Awards - 27th February - Perth
- BEA Judging Northwest (approx) 8th - 16th March start
- WINBAC Geraldton - 10th March
- Invite only Sundowner (glaziers/carpenters) - Blum, Lincoln Sentry & Breezway at MBA
- Barefoot Bowls Geraldton 1st April
- Nina Hobson/Meridian Services (site security) - 7th - 8th April
- Geraldton Cup - 10th April
- MBA/Midland Brick Golf Day 29 April

Congratulations to Maggie McCrum /formerly Broome Builders & husband Dylan who welcomed their daughter - Harper Rose McCrum on 10th November 2015.



Looking to start a construction business but don't know where to begin? Would you like some FREE advice?

From the type of licences you require to the employment of staff and setting up a website, RSM Business Local can help.

This service is available to both existing and new businesses. Business Local is a Small Business Development Corporation service funded by the Government of Western Australia.

Make an appointment today with Mid-West specialist David Boyes

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Business Local

A Small Business Development Corporation service funded by the Government of Western Australia

IS PRICE THE BEST INDICATION OF VALUE?

What is value? According to the online Oxford Dictionary, value is ***'The regard that something is held to deserve; the importance, worth, or usefulness of something'***.

We are all constantly on a quest to find the best value. We need products and services to satisfy our needs and perform in line with our expectations and we want to pay a fair price for them. We don't need the 'best' of everything but what we do demand is value for money.

So how do you measure value? Is it price? Is it usefulness? Is it quality? Or is it a combination of these and many more factors that must be taken into account to really understand a products true value.

Let's look at the example of buying a new ute for your business. You go to the car dealer and they ask you a number of questions about what you need the car for, what sort of options you need and recommend a vehicle to suit your needs. They tell you all about the warranty, capped priced servicing, build quality and more. You go to another dealer and they ask you similar questions, provide information similar to the first dealer and recommend another vehicle for your needs. With a price from each dealer you are now armed with enough information to make a call on which vehicle represents the best value for money, safe in the knowledge that the choice you make will suite your needs and you are getting a good deal.

Take that very same example and change just a couple of details. You walk into the first dealer and tell them you'd like to buy a "ute". They give you a price. You walk into the second dealer and say the same thing, they give you a cheaper price. You choose the second ute because it's cheaper than the first. You don't know what's included, you don't know anything about the warranty or how often (or how much) the services will be. A ute is a ute right? Wheels, motor, seats, they're all the same! When you pick it up you find that it has no tray, no air-conditioning, is automatic and you wanted manual, petrol and you wanted diesel.

Has price been the best indication of the vehicles value? Not at all, without all the other supporting information you haven't been able to make an informed decision about which ute represents the best value. The first ute could have included all the extra's you wanted and represented much better value but the choice was made on the assumption that all utes must be exactly the same and price will guide you to the best deal.

Insurance is no different, particularly Construction Insurance. Construction insurance has conditions, exclusions, definitions and clauses and these can be significantly different from one insurer to the next. Some Construction insurance is better suited to larger corporate builders, some for residential builders and others for smaller builders building a few homes per year.

Just like in the ute example, you call an insurance broker and ask them for a quote on Contract Works & Public Liability insurance. They give you a price. You call the next broker and ask for a Contract Works & Public Liability insurance quote and get another price. You take the first policy because it was a little cheaper. A few months later a major claim occurs and your policy doesn't cover it. You're looking down the barrel at a loss that could ruin your business. Tragically the 2nd policy would have covered it, but the assumption that all Contract Works and Public Liability policies are the same and the best judge of value is price has left you horribly exposed.

Price is only one factor in determining value for money and this holds true for not only buying a ute, or tools for your business but when purchasing insurance to provide protection from major losses. Make sure you are considering all the other factors such as cover, exclusions, conditions and service before using price as your deciding factor.

A cheap insurance policy suddenly becomes extremely expensive when you suffer an uninsured loss due to inappropriate and restrictive cover.

At MBA Insurance Services we'll never recommend an insurance policy based on price alone. We are construction insurance specialists and we'll recommend policies that will cover your business, with reputable insurers that offer the best value for money.

For further information contact MBAIS on 08 9476 9898.

Happy New Year and I look forward to meeting up with you when I visit the Regions this year,

Sincerely

Nicholas Vernon
State Manager Western Australia

Insurance Partner

