

**Submission  
No 41**

**INQUIRY INTO INQUIRY INTO THE OPERATIONS OF  
THE HOME BUILDING SERVICE**

**Name:** Ms Jane Prince

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**From: Jane Prince and Gert Sienknecht**

**To: Inquiry into the operations of the home building service**

Brief history of our case.

In 2004 we decided, after obtaining relevant council approvals to do renovations and extend our house at . We had full architectural plans and engineering drawings. Gert did do the Owner Builders course. We decided against using this and to contract a licensed builder .We contracted Justice Building in December 2004. We agreed on using (owner of justice Building) license and for him to provide Home Warranty Insurance.

We paid regular installments whenever requested. On 27<sup>th</sup> May we paid what we were led to believe was the final payment of \$20,000, for work on our house, the work yet to be completed. The total paid was \$97,136.00. (Above original estimate)

Approximately 6 weeks after what we thought was the final payment of \$20,000, after work had ceased; Gert received a fax demanding a further \$18,478.60, with no explanations.

Work was unfinished and there were many uncorrected faults. Invoices we received were disorganized and unreliable. The costings almost double in some cases from the original estimate, and figures constantly change. The labor rates were different from what was agreed on in our original contract(which we have not been shown despite repeated requests), some invoices are for materials not in our house, and some invoices make no sense.

After many failed attempts at negotiation we went to Fair Trading, who referred us to the CTTT.

We subsequently found out through the CTTT that **was not licensed for our job, he is not registered as a company, and that he did not provide and we cannot gain Home Warranty Insurance.**

According to our calculations, based on all invoices and bills from , We were **overcharged. by \$8,213.**

**Work was not completed in accordance with Plans and council requirements. There are many unrectified faults and unfinished work.**

Eg.

A major wall was put up incorrectly, not according to the plans, losing us valuable space.

Ridge capping not screwed down,

Cutouts for walls and windows not lining up in double brick wall

Stud walls wrong sizes

Roof flashing too short and not fixed

Damage to adjoining properties left as is

These are detailed in our **experts report from a qualified building inspector**, compiled

after a full site inspection. The total **faults** (not including the wall), **he estimated at**

**\$14,182.00.** The wall we had an estimation of around \$50,000 to replace, but were willing to accept **\$8,000** in compensation. The total we were seeking was \$30,395.00

We received a **judgment from the CTTT in April 2007 awarding us \$30,000.**

On the day before payment was to be made, an attempted firebombing was made on our property. We found out subsequently this was by the builder and his father, who then proceeded to **threaten my partner's well being** and under duress from a thug forced Gert to sign a paper to say we wont claim the money. We informed the police on each occasion who were unable to take action. They informed us that it seemed these people had done this before.

### **Important points from our experience**

- 1. The penalties for not having Home Warranty Insurance** or the appropriate license **should be more than the cost of the Home Warranty Insurance/ License. Penalties should be enforced.** Our builder was not concerned at all about them. It would cost him more for the insurance than the penalty for not having it. As far as we know he is still operating like this, and has not been penalized.
- 2. The CTTT process is very time consuming and lengthy.** We put in our original application 19/08/05 and received judgment April/07. Our case was not that complicated. Also it takes a while until you can work on your house, as you have to wait for court approval etc after inspections, so you loose more money through this. It would have been good to have someone to **advise us during that process as well.**
- 3. The CTTT should have more power** or another body they can give the power to enforce penalties and in a case like ours to **make sure that orders they make are complied with.** If that had been the case we would not have had our home and lives threatened and perhaps the builder would have paid us some of the money he owes us.

If there is any further information you require or if you would like to see the inspectors report please contact us.

Jane Prince and Gert Sienknecht