

Submission
No 141

**INQUIRY INTO REGULATION OF BUILDING
STANDARDS, BUILDING QUALITY AND BUILDING
DISPUTES**

Name: Name suppressed
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Partially
Confidential

Submission

02 August 2019

Summary of our own awful experience of trying to build a home in NSW.

I will start by stating that words and numbers on a page cannot adequately convey the human pain and suffering caused, firstly by the handful of individuals responsible for this sorry affair but also the environment within which they were allowed to operate.

This is a familiar story of a builder fleecing its' customers, suppliers and subcontractors then going bust. We are just one of the dozens of customers left in the lurch.

The builder was propped up by its' bank just long enough for the to recover their money.

Attempting to hold the guilty to account has proved pointless as it would take many thousands of dollars with little hope of any meaningful amounts recovered in compensation.

The lack of scrutiny, regulation and responsibility in the construction industry is, to us, just mindboggling.

1. The Bare Facts

- a) Builder – registered in Victoria
- b) Build location – Bungendore NSW
- c) Commencement – January 2016
- d) Termination – October 2016 on the Voluntary Administration and subsequent Liquidation of Alternate Dwellings
- e) Administrators – Dandenong Victoria
- f) 2nd Creditors Report (**ATTACHED**) – 21 November 2016. Some 'highlights':-
 - i. trading insolvent from potentially July 2015
 - ii. Unsecured, Contingent & Employee Creditors – 348 in number – Value \$3.68m
 - iii. Secured Creditors (including) – 4 in number – Value \$1.75m

2. The Main Protagonists

- a) – Directors and Construction Manager – Evil Crooks
- b) Private Certifier – Canberra – Waived some sub-standard work through
- c) (our mortgage provider) – No inspection of works carried out or ordered by them at any stage
- d) Home Warranty Insurance (Icare) – not perfect but without it we would have been totally financially crippled.
- e) NSW Fair Trading – Helpful but toothless
- f) ASIC – not interested!!!!
- g) banker) – not interested
- h) (administrator) – only interested in recovering monies to pay themselves

3. Narrative

I had intended at this point to give a blow by blow account of our experience over the course of two years while the storm raged on but I really am not up to recounting the story at this stage. I will go straight on to our thoughts/conclusions below.

4. Our Own Conclusions

The trail of destruction able to be left by a relatively small building company is scandalous.

We are disgusted that allowed to continue trading insolvent.

Our Creditor's Committee met with to discuss a mutually beneficial solution to demise but showed up with no less than 3 legal representatives who denied any wrongdoing and refused point blank our proposals for a re-funding package.

The use of private certifiers has resulted in a reduction in building standards. Return this vital role to publicly accountable entities.

 were able to renew their Builders Licence shortly before going into Administration which should just not have happened.

 made no inspections at stage completions or at any other time.

The limits on recovery through Home Warranty Insurance are set too low.

We could not get ASIC or any other so-called regulator interested in our case.

The so called 'watch dogs' are unwilling or unable to do the job expected of them.

There is an ingrained 'pass the parcel' mentality when it comes to responsibility.

We would not attempt to build in NSW (or Australia) again unless proper regulation, scrutiny, compensation and penalties for wrongdoing are put in place and ENFORCED.