

**Submission  
No 162**

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

**Organisation:** Joe's Pools and Spa Pty Ltd

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**From:** Sales Joes Pools  
**Sent:** Tuesday, 13 August 2019 1:27 PM  
**To:** Public Accountability  
**Cc:**  
**Subject:** Building inquiry

The following is a summary the full documentation is hundreds pages and will be provided if necessary  
The bullying actions by developers is the crux of the statement

The secretariat/ Committee chair

Unfortunately due to circumstances I didn't know that you were looking for submissions for the building inquiry

I hope this can be used and I believe it shows how ingrained the problem in the building industry is. Even when you try to do the right thing others make sure you can't

Our family business has operated over 35 years longer if you count the original company. Recently a situation with a developer and a concrete company. the legal costs of which mean we will close the company as we will be insolvent and bankruptcy is what I would like to avoid

At first you might say what does a pool builder have to do with buildings however this may give some light on the situation faced by subcontractors in the business I know with this going public it is unlikely I will receive any further work for speaking out.

We were building a pool for a developer not a situation we find ourselves in often however they wanted a luxury pool to be built at a large private house being built as it turns out for another developer. We started after another pool builder (unknown) either could not do a complex build like this or may have had a dispute with the developer.

The pool being commercial project we effectively were only subcontracted as part of a much larger project everything was going as smooth as possible until the concrete company (Hanson) had a breakdown at the plant. The breakdown meant concrete trucks were not arriving on the 45 minute schedule we needed they were late every time the coolness of the day helped however the last pour came 4.5 hours late. Every attempt was made to make sure the bond of these 2 last pours would be good however this still resulted in a "cold joint" where one pour of concrete was not fully bonded to the other. The pool could not be guaranteed watertight and worse the joint would move cracking any interior. This is not uncommon in concrete pours small cold joints can be rectified large ones like this can be rectified as well but they need to be done before any other work is carried out. rectification can be anything from a joint compound to fully removing the shell and rebuilding.

We dutifully started conversation with Hanson they admitted fault however they were very slow to enact rectification costs which would be at minimum \$25,000 and as high as \$220,000. We had a 250mm minimum to surgically jackhammer out through 2 layers of steel and pipework of the pool to avoid. we began that rectification. and had jackhammered for several weeks carefully, however eventually actions by the developer meant I removed all tools and equipment from the site and additionally I began to fear that my workers would be harassed or set upon.

The delays by Hanson then brought out the worst in the developer Bayside Building Group the director asked if I could just cover over it and put the tiles in just to get the job finished. This did not sit well with me and I said no it would fail at some point in the future and that is unacceptable.

The end result the director then ordered a caveat on my personal property, my home at the time I was also in the process of selling (that being a strata complex already had enough to deal with and that can be a separate submission if you like showing how current strata laws are failing). When I responded with legal action for a unwarranted caveat which he removed under legal threat he then submitted a \$600,000 plus bill for damages to try and justify the caveat. when that didn't work they then engaged lawyers to continue. It is quite obvious at this point they smelled a possible compensation claim from Hanson and wished to get that however Hanson is obliged for rectification and some compensation not that amount.

The actions led to difficulty in financing and operating the business Joes pools and Spa Pty Ltd, a small business to the point we would be insolvent as as such it was decided to voluntarily close the business as a long and expensive legal action would bankrupt the company

They have lowered their claim however with zero in the company account no ability to finance with this over the company we are unable to fund a legal claim against Hanson. So the eventual winner is Hanson having only paid for the wholesale cost of concrete. The Developer who should have paid us approximately \$40,000 also wins they would have completed the work for less

During this time I received a few calls from other subcontractors with similar stories with a variety of developers. Something goes wrong and they are told to cover it up sometimes not getting paid as then it is considered substandard or they are told to pay hefty late fees for completion which are worse. Then end result many Subcontractors no longer talk about the the things that go wrong they just cover it up, get paid and move on knowing it probably won't be spotted in warranty and if it is they are gone and so is the developer who probably doesn't know which subcontractor did that particular work or worse its paid under the table to an unlicensed Subcontractor.

Additional we have on occasion been asked to look at pools that have failures. One that comes to mind was in a tall strata unit building, The pool had exactly the kind of failure I was dealing with a cold joint which opened after a few years and was leaking into the carpark rectification cost when I said it verbally was upwards of \$200,000 I didn't hear from then again, Driving past in the following months for sale signs were common, but this happens often it seems judging by how many times I get calls about poorly made strata complex pools an Item that should last 30-50 years is falling apart in 3-5

I can provide documents as evidence for the above story which is mine the other subcontractors won't come forward as they fear losing their livelihood

Regards  
Vlado Solina



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