

South Morang 3752

15th January 2010

Mr Richard Willis
Secretary, Council Committees
Department of the Legislative Council
Parliament House
Spring Street
East Melbourne, 3002

Dear Richard

I am writing to have this submission put before the Standing Committee on Finance and Public Administration's Inquiry into Builders Warranty Insurance.

Do you living next a man with a mental illness, who became increasingly aggressive towards me, we were forced to moved out. This placed us in a position where were pressured into finding another house and moving house quickly.

We purchased a new 2-storey house in South Morang. The contract of sale was agreed to on 13th August 2009, with a settlement date of 13th October 2009 and moved in on 13th October 2009.

When we moved in to this new house, we found lots of outstanding items, not in accordance with the contract of sale including and a lot of bad workmanship.

- **Poor brickwork, lots of cracks, mortar broken or cracked in many spots and repairs required**
- **Fly screens and security doors missing**
- **No water tank or clothesline**
- **No hot water, gas or heating connected or in a usable state (see Occupancy Certificate requirements and it signed off early below)**
- **Terrible unfinished and poor paintwork**
- **Uneven veranda floor, which has no drainage. Flooding during rain.**
- **Bulkhead on side of house is cracked and moving away on an angle from the house.**
- **The fence not complete**
- **Lots of other issues not addressed, eg defective work, etc**
- **The house was left filthy dirty inside and out, it had not been cleaned**

As a result of having to more from our previous home in a hurry, we moved in before settlement. This was agreed to by the developer and it was promised the house would be in order before we did. A date was reached in agreement and the developer/builder, however when we arrived with a removalist company, the house was a mess. We delayed settlement due to nothing being done to fix all of the items above. The unfinished work was to be completed and we said we would pay the money 4 days

later, after again being promised all would be complete. **There was no Handover Inspection.**

The clothesline, flyscreens and security doors were fitted and we were promised that the remaining work would be carried out. Then 4 days later we settled and paid all the money owing. **We know now that we should not have handed over the money. The Developer has now disappeared and did not return to fix the defects as promised.**

The Water Tank was reneged on and a settlement was reached as compensation of \$1000. This was very disappointing as my wife and I wanted the tank but the developer said it was not possible as it would cost him too much money and placed us in a position where **we would lose altogether or accept a measly sum of \$1000.** We accepted this, but should not have been in that position in the first place.

By end November, **the Developer no longer answered his phone when I rang him about fixing all the defects.** The **Developer's Project Manager told me that he was owed a lot of money and he no longer worked for the company, Acua Property Group of Lv1, 24 Somerton Road, Somerton VIC.** At this stage I did not know that we had purchased from a Developer. I thought we were dealing with a Builder. The real estate agent had always referred to A. Cosan and Y Akdogan of Acua Property Group as the builders.

Meanwhile I paid the fencer to complete the fence as the Developer would not pay for it and the gate was part of the contract of sale and this was not done. The fencer would not fix the fence unless I paid him as he claims Acua Property Group owes him money.

The tin roof leaked soon after moving in and some minor repairs were done. A worker came from the company in spite of his boss telling him to stay away because they were owed a large sum of money from Acua P.G. and stopped the leaks.

In November when we had very heavy rain, we discovered new problems:

- **The roof leaked and every time we had a good down pour we have to strategically place buckets to catch the water**
- **The floor sinks on the veranda and when it rains the water sits in the middle of the veranda floor, no drainage was built in to the design.**

We tried to contact **the Developer:**

- **The Developer no longer answered his phone**
- **The Developer's Project Manger states he is owed a lot of money and no longer works for the company**

The second roof company involved, Herald Roofing, who layed the tiled section of the roof, says he has spoken to the manufacturer of the tiles who has told him that the tiles are good. He seems to think that this means he should not have to fix the roof, so he has done nothing. An insurance agent came and looked at it after really heavy rain on Sunday 22nd November. He was actually visiting the next door property, built by the same Developer and with very serious roof problems too. He stated that the tiles used were "a bit of a new fashion item in roofing" and although they met Australian standards, it was his opinion that they are not suitable for Australian conditions. The

water was coming in the house, through the down light's and other light fittings etc. This day I contacted the Consumers Collective to seek help.

The Roofer will not come and fix the roof and he also says that **the Developer owes him a lot of money. All other trades have claimed that they are owed money.** The Electrician, Plumber, Fencer and Roofer are reluctant to turn up here and the Fencer and Roof Company both have virtually refused to look at any of the jobs requiring repairs.

There was no 3-month Maintenance Inspection. THE HOUSE NOW

There are other defects not mentioned above:

- **Brickwork is very bad, cracked and with mortar cracks everywhere**
- **Holes in the sitting room and garage wall not fixed properly and covered over with a piece of plastic**
- **Carpet is cheap, starting to fray and unwinding in several spots and this is after only 3 months of use and nobody wears shoes in our house.**
- **Tiles in the Kitchen are off centre and starting to break away from the walls**
- **Upstairs veranda has flooding issue, with no drain built into the floor; a quick fix was carried out with a piece of PVC pipe cut into a surrounding border and this has only proved to be an amateurish attempt at a solution and it does not work and looks very ugly**
- **The render was put down in the rain and a big chunk is missing on the front corner of the house**
- **Stairwell is cracking and has gaps up to 2cm wide in places**
- **Front water drainage grates are covered in concrete around the edges**
- **The house was not cleaned and 4 months later we are still cleaning builders dust**
- **There was no Final/Handover inspection**
- **There was no 3 Month Inspection on the 13th January and the Developer has disappeared**

The Occupancy Certificate was issued in August, 2 months before the Gas and Water were connected. In early January I telephoned the company who issued this Certificate and I am in the process of trying to get to speak to the Building Inspector who signed this Certificate to ask him to explain why he signed off on the house and issued an Occupancy Certificate when he should not have. **I can't imagine this would be legal and if so, what is the purpose of a Certificate of Occupancy.**

The trade's people said the Developer has gone broke. So I called to find out about how to initiate the Warranty insurance and this revealed that the **Builder listed and the Developer are 2 different people.**

I then called the Builder this week. He came to look at the house. **He has now agreed to fix all the work after waiting for one month or two to see if further cracks appear.** Although he feels the developer is responsible for seeing the repairs

through. It was the developer that made the money and agreed to all the fixes and sale of contract conditions.

My wife and I went to the Developers address to find that the Developer is no longer residing there and a new business is now in the place. **The new business owner said that tradesmen have come in aggressive towards him and have stated that they are owed lots of money. The amounts range from \$4,000 to \$120,000.**

There are 8 other homeowners in my street who used this Developer and they all have shoddy work and major problems, eg the owner next door has a badly leaking roof and other serious defects.

I am very annoyed about the way that no one polices these Builders or Developers. I have had nothing but stress since buying this home. We have been constantly lied to and deceived. It appears no one is responsible and that these guys know they can get away with short cuts and poor workmanship and have little or no concern for accountability. It seems simple to me that if a tiler, painter, roofer or whoever have done a bad job they should have to fix it. Instead I have discovered they can all go scot free. What other industry takes this path?

To sum up, my story highlights some of the many problems with the current building industry:

- **Homeowners pay out for a very big investment and land a very defective house, with poor quality materials and shoddy workmanship**
- **It is very common practice and in my street alone there are 8 other houses, all with defects and unsatisfactory workmanship, all involving the same Developer pretending to be a builder**
- **I have defects common to many owners' houses, brickwork, paintwork, roofing, etc and these tradesmen are unregulated, probably not paid well and someone should regulate their work. Someone other than the builder.**
- **The Property Developer never supervised or checked any work on the house, it was handed over with lots of defects and very dirty and there needs to be a Supervisor role and a Licence attached to that role.**
- **The Developer or builder can disappear and never fix the defects.**
- **This Developer did not pay many of the tradesmen and I understand this is also common practice**
- **The Developer/builder robs the owner and also robs the tradesmen**
- **Building Inspectors should be policed more closely so they cannot sign off on an Occupancy Certificate when there is no water or gas and loads of defects and incomplete work. I understand there is an exemption in place that allows a place to be given a C.O.O without these things being finished. EG, through theft of appliances. If this is true what stops a builder or developer claiming theft of their goods to obtain a C.O.O?**

I have spoken to some Commercial Builders and they refer to the Domestic Building sector as a "cottage industry" because it is so poorly regulated. They say the Domestic Builders, or Developers in my case, get away with building rubbish and they talk as if it is a joke, which it is, except if you are the bunny on the receiving end. When talking to Anne of the Consumers Collective recently, I said: **"It blows my mind how badly**

monitored the industry is considering it involves the biggest investment in most people's lives and as a result it's so difficult to get anywhere when dodgy builders or developers are involved."

The present system is terrible and urgently needs to be fixed. Apart from all the stress involved with dealing with a very defective house and the loss of money, my wife and I have found it difficult on our relationship. It is so stressful and this was supposed to be a positive experience, moving into a new home, with everything new and fresh. Instead, it has been a complete disaster. **Someone should be there to help in cases like this and these stories should not have to be told. What happened to me should not happen and would not if we had better laws and a tighter, tougher body to police this industry. The commercial industry would grind to a halt virtually overnight if these types of practises were allowed to take place. The union would shut sites down in a heart beat. Warranty Insurance needs to be extended, so you can claim if you strike a dishonest Builder/Developer like we did to enforce the warranty if the builder refuses to, consumers should not have to rely on the death, disappearance or bankruptcy of a builder.**

I am happy to appear before the Inquiry and outline more details of my story. I want to help stop this happening to the thousands of owners who have this experience every year because Victoria has such poor regulation of the Domestic Building Industry.

Yours sincerely

Steve Quinn