

Media Release



Government of South Australia

Office of Consumer and
Business Affairs

Wednesday 8 September 2010

BUILDING CONTRACTOR FINED OVER SHODDY VERANDAH

A building company and its director, whose substandard work resulted in the buckling of a newly-built verandah, were fined \$1,200 and \$400 respectively in the District Court today.

The company **Laprac Pty Ltd (trading as 'All Type Roofing and Guttering')** and its sole director, **Michael Ian Marshman** pleaded guilty to six counts of breaching the *Building Work Contractors Act 1995* in proceedings brought against them by the Office of Consumer and Business Affairs (OCBA).

It was alleged that the company and Mr. Marshman:

- were deficient in the workmanship of the verandah;
- did not provide a written contract to the clients;
- failed to take out the mandatory building indemnity insurance; and
- gave false information to the Mallala Council, underquoting the cost of the project.

The court was told how in 2007, a couple at Two Wells sought and accepted a quote from the defendant to erect a verandah on their newly built home at a cost of \$14,000.

The work was completed in late May 2008, but numerous defects were found in the work and an independent expert later concluded that it did not meet "accepted trade standards". Among the defects:

- screws and brackets were insufficient or undersized;
- flashing and cover strips were too short and had exposed edges;
- drainage was impeded through improper flashing of downpipes into gutters;
- guttering was not fixed properly; and
- end gaps to the verandah beams were excessive.

The court heard that the end result was a verandah that leaked in up to ten locations and buckled the fascia of an almost brand new house, despite several attempts at repairs. The clients withheld final payment on the work, and took civil legal action against the builder, which resulted in an out-of-court settlement.

OCBA investigated after a complaint was made by the property owners, and in their submission to court said that the company's director deliberately undervalued the development cost in the application in order to avoid paying indemnity insurance. By law, any building project valued at over \$12,000 must not commence until the appropriate building indemnity insurance is in place.

The Commissioner for Consumer Affairs, David Green, said the successful disciplinary action should give the public confidence that such breaches will not be ignored or dealt with lightly.

"Conduct of this sort can create financial and emotional hardship for consumers where work is not performed or supervised properly.

"The best way for consumers to protect themselves and ensure access to proper recourse is to have a written contract in place, which is also outlined by the law.

“Such wrongdoing is also damaging to the industry as a whole through bad publicity, and honest competitors suffer commercial disadvantage,” Mr. Green said.

To report concerns about suspect builders, people can contact OCBA on 8204 9777 or 131 882 for regional callers, or visit the website: www.ocba.gov.au.