

Media Release

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Bankruptcy brings down the Sumners

James Denis Sumner and Fiona Winifred Sumner formerly of Fullarton failed to notify the licensing authority of the demise of their business enterprise and that they had been made bankrupt. Both held building work contractors' licences.

The business partners petitioned for their own bankruptcies in respect of more than \$800,000 worth of debts, leaving unsecured creditors no option but to lodge claims with their trustee in bankruptcy. They were declared bankrupt in October 2004.

Today in the District Court, Judge Bright made orders that the Sumners' building work contractors' licences be cancelled, that they be disqualified from being licensed under the *Building Work Contractors Act 1995*, and prohibiting them from being directors of a body corporate that is a building work contractor. Judge Bright also ordered that the disqualification and prohibition orders apply permanently.

The Commissioner for Consumer Affairs, Mark Bodycoat, said investigators from the Office of Consumer and Business Affairs (OCBA) commenced the inquiries leading up to the District Court Action when they found the business partners had filed for bankruptcy.

"An applicant for a building work contractor's licence cannot get a licence if he or she has been bankrupt for any period of time during the preceding 10 years. This requirement helps to ensure that the applicant has the appropriate business acumen to run a business. It also helps consumers to choose more confidently when they are looking for competent and reliable contractors to carry out their building work", said Mr Bodycoat.

"This case serves as a warning to other building work contractors. Licensees have an obligation to disclose changes in their circumstances where they affect their entitlements to hold their licences. OCBA has a regular compliance program in place to detect unlicensed or ineligible builders - you will be eventually found out."

OCBA conducts regular checks of insolvency reports from a credit-reporting agency. The reports list bankruptcies, external administrations and debt arrangements. These reports provide important information about the financial soundness of businesses and the risk they could pose to consumers.

To check whether a person holds a licence, or to verify someone's licence details, visit the Licensing Public Register at www.ocba.sa.gov.au or telephone 8204 9686 or 131 882 (country callers).



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of South Australia**