

Gold Coast apartment owners fear \$2m bill to fix dodgy building work

By Emma Pollard

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Apartment owners in a Gold Coast high-rise say shoddy construction work could leave them up to \$2 million out of pocket.

The situation highlights a recent High Court decision that makes it harder for Queensland unit owners to sue builders for negligence.

A group of Gold Coast apartment owners said there had been problems with their high-rise building, which the owners did not want identified, since it was built seven years ago.

Body corporate chairman Lindsay Forbes said many of the windows started leaking immediately.

"Basically apartments flood - there are some key positions in this building that they leak from top to bottom," he said.

Mr Forbes said their builder reluctantly had done some minor repairs, but the windows were still leaking.

"If fixed properly - that is not shove silicone in a hole - and replace our windows in certain parts of a 20-storey building - it's massive," he said.

Repair costs were estimated at between \$1 million and \$2 million, but the builder had now gone into administration, leaving the body corporate with the bill.

Queensland rights further eroded, lawyer says

Lawyer Christopher Kerin said Queensland apartment owners were especially vulnerable for a number of reasons.

"The major problem with the process in Queensland is firstly Queensland does not have statutory warranty protection that other eastern seaboard states have, so there are less rights that bodies corporate have in Queensland," he said.

Mr Kerin said a High Court decision handed down last October had further eroded the legal rights of unit owners in Queensland.

"The ramifications are that ... it'll be very difficult for bodies corporate to sue builders in negligence for shoddy workmanship," he said.

Mr Kerin wrote to then-housing minister Tim Mander late last year suggesting the State Government make legislative changes.

"The easiest thing would be for the Queensland Government to amend the Domestic Buildings Contracts Act and then extend the implied warranty coverage to include apartment owners," he said.

But the Minister's office said unit owners were protected through the Queensland Building and Construction Commission (QBCC).

Mr Kerin said the difficulty with that course of action was that fines for non-compliance could be as little as \$28,500.

"Now if you have defects that cost hundreds of thousands or millions of dollars to fix, then many builders are simply going to accept the penalty rather than spend that sort of money to rectify the defects," he said.



PHOTO: Mr Forbes said many of the windows in the building started leaking immediately. (ABC TV News)

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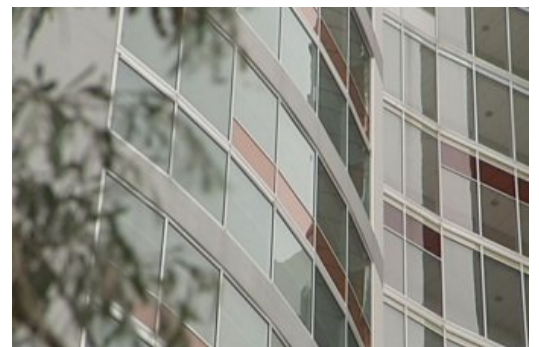


PHOTO: There has been problems with the building since it was built seven years ago. (ABC TV News)

He also said builders who went into voluntary administration could avoid costly repair bills for poor workmanship.

"Many of the builders have numerous companies within a group of companies and they will regularly wind companies up within the group to avoid paying legitimate debts," he said.

QBCC says majority of builders fix defects

QBCC commissioner Steve Griffin said the commission had strong powers to force builders to fix any defects reported within the warranty period of six years and three months.

"Any builder that doesn't go back and comply with rectification faces the ultimate sanction of losing their licence, so the vast majority of builders do go back and rectify," he said.

Mr Griffin said hundreds of builders lost their licence each year, but nothing could be done if the builder had gone into administration.

"It's certainly a matter for government policy to consider whether the protections for those same consumers, when the builder's no longer around, or retired, or gone insolvent, is adequate," he said.

"There's not a lot of high-rise defect issues that are falling into that category, but nevertheless they are obviously some cause for concern."

But Mr Kerin said the QBCC's powers to order builders to rectify mistakes were not adequate.

He said the QBCC's directions were discretionary and could be appealed to the Queensland Civil and Administrative Tribunal.

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Lawyer Christopher Kerin

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