



## NEWS

### Renovation Companies Facing a Spring Clean

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Kitchen, bathroom and laundry makers in Queensland will be audited to ensure they are properly licensed following the collapse of kitchen company Retail Renovations.

Builders of sheds, carports and garages will also be included in the audit after concerns some of them are not using legally binding contracts in their work and therefore do not have adequate consumer protection, particularly if they go broke or fail to finish a job.

The audits, expected to take nine months, will be conducted by Building Services Authority.

BSA General Manager, Ian Jennings, said the audits would focus on builders doing domestic jobs worth more than \$3,300, such as kitchen and bathroom renovations.

"This audit is really focusing on their consumer protection mechanisms and making sure they're complying with the Domestic Building Contracts Act 2000," he said.

"They need to have written contracts and the contracts need to have a cooling-off period for customers as well as specifying deposit and progress payment details."

Mr Jennings said the audit had been sparked by the collapse of Retail Renovations earlier this year, which left 300 consumers out of pocket or with unfinished work.

Retail Renovations also traded as Impala Kitchens and Bathrooms, Simply kitchens, Simply Wardrobes and Bathrooms, Kitchen Makeovers and Tradeline Kitchens.

BSA suspended its training licence in January amid concerns it was in financial difficulty.

The company was later declared insolvent with debts estimated to be as high as \$5 million.

Hundreds of consumers subsequently contacted BSA to say they had contracts with the various trading companies although some of them have since been able to reclaim their money under the Statutory Home Warranty Insurance Scheme.

Two people associated with Retail Renovations - George Weeden Dawes Jorgensen and George Ikstrums - were banned for life from the industry after the collapse.

Mr Jennings said BSA was now working with liquidators to try to recover money owed to creditors.

After Retail Renovations we did a preliminary investigation and there does seem to have been some problems particularly for example shed builders who often don't work with contracts so we decided to go in and have a good look at it.

Housing Minister, Robert Swarten, said the audit - which he had gazetted to enable BSA to investigate without a complaint - would weed out irresponsible builders.

He said builders who were not complying with the law faced fines or could be taken before the Commercial and Consumer Tribunal or a Magistrate's Court.

Source: The Courier Mail, 11 October 2004, page 2