



Mr Paul Cain
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Mr Tim Hughes
Principal Research Officer
Economics and Industry Standing Committee
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Dear Members of the Committee

I congratulate the Legislative Assembly for its inquiry into the *late or non-delivery of items offered by residential land and property developers*, and its invitation to make a submission.

It is imperative that the Western Australian parliament legislate to ensure that people can confidently enter into a contract for sale of land knowing that such an agreement will be honoured and upheld by the law.

My name is Paul Cain and I live at [REDACTED]. In 2009, my wife and I bought a house and land package. The land developer that we bought the land from was Recreation Drive Pty Ltd. The directors of this business are George Naoum and Peter Norman James.

In May 2010, my wife and three children moved into our new home.

According to the contract for sale of land, we were to notify the fence and landscape contractors to install boundary fences and landscaping. We diligently did this according to the terms of the contract.

We received a letter from Mr Peter James of Recreation Drive Pty Ltd stating that the fencing and landscaping was delayed but assured us that he would *honour* his obligation to all residents.

As of 21 September, 2011, we are still waiting for Mr Peter James to *honour* his obligation.

Despite;

- the contract for sale of land,
- letters,
- phone calls,
- promises,
- an order from the magistrates court

we have never had our fence or landscaping package *honoured*.

The effect on my family has been significant.

Our decision to purchase a house and land package was done with careful planning to ensure that costs were within our budget. We are a family on a modest income and very careful in how we spend our limited resources.

After approximately a year of waiting for our fence and landscaping package we took a decision to arrange for the installation of our boundary fences. This meant that we were effectively paying for our fence for a second time.

We decided that we could no longer continue to live without the security and privacy of the boundary fences. We simply couldn't get on with our lives and enjoy our new home.

It became clear to us that Mr Peter James and Recreation Drive Pty Ltd had no intention to meet their obligations. And it became clear that the court system was impotent to enforce the contract conditions.

We had to pay the full cost of the roadside boundary fence, plus half the cost of two boundary fences we share with our neighbours. We have incurred a cost to date of approximately \$7,000.

We have had to use funds that we had saved and budgeted to complete interior work, basic household items such as furniture and appliances, and internal fixtures. As a result our savings have been diminished and this has had a detrimental impact on the quality of life and economic security of my family.

The behaviour of Mr Peter James and Recreation Drive Pty Ltd has been characterised by;

- a lack of respect by not responding to phone calls or letters,
- making promises but failing to keep those promises, and
- giving false hope to residents that something will happen to address fences and landscaping.

We have also pursued legal avenues through the Magistrates court. This has been a confusing and costly exercise for no outcome.

In short, we have been "ripped off" by Mr Peter James and Recreation Drive Pty Ltd, and disappointed by the failure of the laws of Western Australia to protect and uphold our rights contained in the contract for sale of land. In essence, the contract is a worthless document that offers no protection for the purchaser.

The fact that a land developer can operate in this State and treat buyers with such disrespect and disregard, raises questions about the quality of the legislation currently in place, and the capacity of the court system to uphold the law. It also brings into question the integrity of some land developers who bear no cost or accountability for failing to meet their contract obligations.

I believe that the legislative committee and the Western Australian parliament should consider two legislative outcomes.

1. Laws which protect future land purchasers who enter into contracts that include a fence and landscaping package.

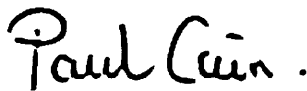
The parliament should give consideration to such transactions requiring a proportion of the purchase price to be held in an account similar to how bond is treated in a rent or lease contract. Payment already made by the purchaser for the fence or landscaping should be prevented from being used for other purposes or claimed by a creditor. Such a law would protect the rights and dignity of Western Australians from 'dodgy' land developers, or unforeseen financial circumstances.

2. Laws which retrospectively require land developers such as Mr Peter James and Recreation Drive Pty Ltd to pay and install fences or landscaping as set out in a contract for sale of land, or reimburse the cost incurred by purchasers for installing fences and landscaping that they had to pay for a second time.

There should be penalties for late or non delivery of such items. Such a law should extend to the seizing of income and assets from company directors in terms of their personal wealth and as directors of corporations. It is 'dodgy' that directors and corporations can avoid responsibility by winding down companies and then proceed to conduct business under a different corporation name. The law MUST protect the purchaser, rather than provide places for dodgy business operators to hide from their contract obligations. If there was a cost for failing to meet the contract, land developers may think more carefully about what they are prepared to include in a contract for sale of land, rather than use fence and landscaping packages as sales "bait" without any intention of doing the right thing.

I thank the committee for the opportunity to provide this submission. I would be happy to provide any answers to any questions members of the committee may want to ask of me.

kind regards

A handwritten signature in black ink that reads "Paul Cain .". The signature is written in a cursive, slightly slanted style.

Paul Cain