

THE TUARTS ESTATE, DALYELLUP — IRONBRIDGE HOLDINGS

Grievance

MR M.P. MURRAY (Collie–Preston) [9.40 am]: My grievance is to the Minister for Commerce on the issue of the failure by a company called Ironbridge Holdings Pty Ltd, the principal of which is Mr Ian Wallace of 114 Forrest Street, Cottesloe WA, to honour a contract. The area of concern is the part of the Dalyellup estate, south of Bunbury, called The Tuarts that lies within the boundaries of Parade Road, which runs north–south between Murtin Road to the north and Norton Promenade to the south. This area of The Tuarts is in the sector bordered by Parade Road running in a north–south direction, between Ferndale Avenue, Moorilup Turn and Frollet Way to the north, and Murtin Road to the south. This section has homes that have not received their fencing or landscaping. Stage 1 of The Tuarts subdivision commenced in January 2007 and was completed in July 2008. The Dalyellup subdivision works include earthworks, roadworks, sewerage, water, reticulation, stormwater drainage, insulation, retaining walls and underground power services.

A fencing and landscaping package was included as part of the contract for the sale of land. This was available to only first owners of the land, not resale blocks. It is my understanding that for buyers purchasing corner blocks, the landscaping package extends to include verge areas, however, a dollar figure is not attached to this. The terms and conditions state —

SPECIAL CONDITION 1 – LANDSCAPING PACKAGE

If the buyer completes construction of a dwelling on the Property within 20 months of this Settlement Date, the Seller will, at its expense, provide landscaping (including reticulation) to the value of **\$3150** (inclusive of GST) to the front of the Property. The landscaping will be carried out by a contractor nominated by the Seller. The Buyer must notify the Seller when the dwelling on the Property has been completed.

SPECIAL CONDITION 2 – FENCING PACKAGE

If the Buyer completes construction of the dwelling within 20 months from the Settlement Date, the Seller will arrange for a contract (nominated by the Seller) to install a wheat coloured HardiFence fibrocement fence to the side and rear at the Sellers expense. The site boundary fencing will not encroach forward of the building line, and will have a normal height of 1,800mm.

Because Ironbridge is unable to fulfil its obligation to the homeowners for fencing and landscaping, it has offered a reimbursement scheme for those wishing to go ahead and do their own fencing and landscaping. Ironbridge advises that it can reimburse homeowners for the costs charged by their fencing contractors. This is a rate of \$69.90 a metre plus GST. The landscaping package was to provide landscaping, including reticulation, to the value of \$3 000. Most people who took this option are still waiting for their reimbursement cheques.

Thirty-five constituents have lodged complaints with me. Twenty-one are waiting for fences around their property, 14 have a fence and six have paid for it themselves and are waiting for reimbursement. Four fences have still not been painted. Thirty homeowners are waiting for landscaping, and five have had their property landscaped, have paid for it themselves and are awaiting reimbursement. According to my notes, some excerpts from emails I have received state —

Tom O'Rourke from Iron Bridge has been telling me since June that I am very close to the top of the list and that it should only be a couple of weeks. It's now October and his story is wearing a little thin.

I am sending this email in response to your letter regarding the fencing in the Tuarts Estate, Dallyellup. I have been in my house for 6 months now and still have no fencing. I have rang Iron Bridge Properties Pty Ltd many times now just to be told that there coming soon, I have asked for a date and they can't give me one. I was even told 4 weeks ago that I would have a fence within 2 weeks, still nothing and I'm now hearing rumors of bankruptcy.

One aspect that is quite infuriating is the fact that each person having purchased land from Ironbridge, has effectively already paid for both the fencing and landscaping. It is within the contracts that were signed and is an obligation that has not been fulfilled by Ironbridge.

My notes continue further —

I am still waiting for my fencing and landscaping and last week spoke to the Department of consumer protection who suggested getting a form 6 from the court house and taking them to court under a consumer trader minor claims case.

We have contacted Consumer Affairs and lodged an official complaint. We have also contacted Golden West News and Seven News/Today Tonight to let them know the progress with the fencing in the area, as a story has been done previously. We are also seeking legal advice, though we hope this is not a path we have to take.

I wish to advise that I am among the many residents waiting for Ironbridge Property to honour its commitments. My house was finished in December last year and I have now been waiting 9 months for my fencing and landscaping. I have tried many avenues, of which included the following:

- Formal complaint with the Department of Commerce – Consumer Protection Division: they were unable to conciliate the matter. They offered to reimburse me if I paid for the works myself I did not trust that I would ever see my money again. I believe some residents took this option ...
- Engaged a lawyer to a legal letter of demand – they completely ignored this and also the follow-up letter that was sent.

The Consumer Protection Division in Bunbury has been doing its best, but to add insult to injury, the company has now started another subdivision further north. It looks as if it is in sheer contempt of the people who are already waiting. The company also has another estate, RiverHills Estates, Toodyay, with 360 lots there. Therefore, there must be some money around to finish these contracts.

The time line for my involvement in this matter is that in March 2010 I was contacted by constituents making complaints about the developers of the estate not honouring the contract to erect fences and landscape front yards. On Thursday, 5 August I met in Dalyellup with residents of the Tuarts; this grievance is the outcome of that. I urge the minister to take action on behalf of the residents of the Tuarts estate, which is part Dalyellup estate, to ensure that the homeowners get what they paid for. It is my belief that he should explore ways of putting a caveat on any future developments so that any money from the sale of the company's blocks goes to a trust account for the honouring of these commitments that have not been fulfilled.

Ironbridge's further expansion is also something that the minister should look at to see how that company can go forward and further expand when it has not finished its first project. This company has treated people with contempt, and while many people would say that \$3 000 is not a huge amount of money, when people are building a new house and trying to get established, it is the world. Apart from that, this company is dishonest, as previous statements show. I have written to the company twice now with no reply. I am asking the minister to take this matter into consideration.

MR W.R. MARMION (Nedlands — Minister for Commerce) [9.47 am]: I thank the member for Collie–Preston for raising this grievance with me. We had a brief discussion a little while ago. The Department of Commerce has alerted me to the problems with this issue over the last month or so. I first express my sympathy for the frustrations that would be felt by the member's constituents, particularly first home buyers. I agree that they went in good faith to buy their first block of land. They did the right thing and they built a house within the 20 months and expected that the person they bought the land from to come good on the deal that they signed up for—to get their land package and their fencing. I acknowledge the frustrations.

The department has provided me with some background about the developer, where it is at and what actions it is taking. I understand that there is even a meeting today with some of the member for Collie–Preston's constituents. I am advised that the Consumer Protection Division has received some figures. These figures are different from the member's so I suggest that he give me his figures, because it might increase the numbers the division has—his figures are a bit higher than those I have. I am advised that the Consumer Protection Division has received 25 complaints against Ironbridge Holdings since 20 June 2009. The division presently has 16 active complaints that it is working on. I believe the member had more than that. The complaints relate to the non-provision of landscaping and fencing purchased as part of the land package. The directors of Ironbridge are Ian Wallace and Carolyn Margaret de Freyne Wallace. According to Mr Wallace, Ironbridge developed and marketed 270 building blocks of a potential 780 blocks at the Tuarts, Dallyellup, near Bunbury. The complainants entered into a contract for the sale of land or strata title by offer and acceptance. As the member said, two special conditions applied to these contracts. Special condition 1 provides for landscaping with various values between \$3 000 and \$3 150 at the seller's expense. Special condition 2 provides for fencing to the side and rear of the homes at the seller's expense. The value is not listed, however, the Consumer Protection Division believes it to range between \$2 233 and to \$6 468. That is the fencing.

To qualify for the landscaping and fencing packages, the buyers had to complete their homes within 20 months of the settlement date. Senior officers from the department visited Ironbridge's Cottesloe office in March 2010 and met with Mr Wallace and the company's assistant project manager. The officers expressed concern about the number and nature of the complaints and were given assurances that the complaints would be resolved as funds

became available. Mr Wallace indicated that it would take approximately three months for all the work to be completed.

On 23 June 2010 a public notice in *The West Australian* showed Tasman Civil Pty Ltd had commenced proceedings to wind up Ironbridge. The Consumer Protection Division understands that Ironbridge owed Tasman \$417 416 for earthworks that Tasman did on the development. This debt has now been settled. Consumer Protection is also aware of recent steps taken to substitute another earthmoving company's court action for Tasman's action against Ironbridge. The debt for this further court action is not presently known.

Senior officers from the department visited Dalyellup in August this year and photographed the homes of the complainants to determine the progress of landscaping and fencing work. If the member has more information on work that the department needs to do, I ask him to pass that on. Although civil claims for breach of contract have arisen, no offence against the legislation administered by the department was identified during the conciliation of the contractual issues relating to the landscaping and fencing packages. The Bunbury office commenced attempts to conciliate complaints in June last year, and these efforts have continued right up to now. This process has been frustrated by Ironbridge's financial difficulties, which have partially resulted from delays in marketing an Exmouth development and Mr Wallace's poor handling of the complaints. Only a small number of complaints have been successfully conciliated to date.

The current situation is that senior officers from the department are scheduled to meet today with all complainants that they are aware of at the department's Bunbury office. The purpose of this visit is to provide information and court application forms to complainants so that they can lodge claims in the Bunbury Magistrates Court. Support will be provided in the preparation of statements of claim for the court applications. Consumer Protection will continue to monitor the situation and support new complainants in making applications to the court.