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2 Summary

- 1.1 My name is Wayne Orenshaw, resident of [REDACTED], and I am currently licensed as a site supervisor by the QBSA and work for [REDACTED], a company of which my wife is the sole director.
- 1.2 I worked for twenty one years as a licensed builder receiving numerous awards (exhibit 1) including HIA Australian House of the Year runner up (exhibit 2); Queensland House of the Year MBA (exhibit 3); and Queensland House of the Year HIA (exhibit 4).
- 1.3 In 2006 I was running a company with an annual turnover of ten million dollars.
- 1.4 In 2006 the QBSA issued my Company, [REDACTED], with the incorrect builder's license and as a direct result the company was forced into bankruptcy and my wife and I now live in a renovated container on mortgaged land.

3 2006: The QBSA issues the wrong license.

- 2.1 In 2006 I held Builder's license 21581 with "*Builder Low Rise*" and "*Builder Open Restricted*" accredited to the one license.
- 2.2 *Builder Low Rise* was the accreditation that allowed me to build commercially up to one thousand square metres and to perform residential work up to the value of my then annual turnover of ten million dollars.
- 2.3 The second accreditation: *Builder Open Restricted* was irrelevant as it was inferior to *Builder Low Rise*.

- 2.4 Up until June 2006 I operated as a sole Trader:
[REDACTED].
- 2.5 In August 2006 this became [REDACTED]
[REDACTED], a building company of which I was the sole director.
- 2.6 Building companies are required to have a Nominee Builder and are granted the same license as the Nominee Builder (exhibit 5).
- 2.7 As I was the Builder Nominee for [REDACTED]
[REDACTED]. my accountant applied to accredit [REDACTED]
[REDACTED] with my builder's license (**21581**).
- 2.8 My license number permitting me, and therefore [REDACTED] to build homes to an annual value of \$10m was clearly stated in the relevant sections of the application (exhibit 5).
- 2.9 As part of the application the QBSA requires a *Financial Requirements for Licensing Statement* certified by an accountant to show the company has the assets and turnover necessary to undertake work to the level specified by the license.
- 2.10 The *Financial Requirements for Licensing Statement* certified that [REDACTED] had the assets and turnover and financial strength to support an annual turnover of \$10m (exhibit 6).
- 2.11 The one anomaly in the application was that in the section labeled *Application*, my accountant wrote *Builder Open* (exhibit 7), which is a higher category than *Builder Low Rise*.

- 2.12 This should have had no effect on the license issued which is determined by the Builder's Nominee license, the turnover and finances of the company.
- 2.13 Irrespective of that, I was entitled to hold an *open* license but, as I did not need one, never applied.
- 2.14 The license issued to [REDACTED] on 10 August 2006 (exhibit 8) by the QBSA was not the one that [REDACTED] was entitled to (or applied for).
- 2.15 The license, notated *Builder Restricted*, restricted the company to small building contracts involving residential renovations and extensions of a value not exceeding \$2,500,000.
- 2.16 This license was inconsistent with:
- The Nominee Builder's license on which it is supposed to be based;
 - The turnover of the company which determines the annual turnover allowed by the license;
 - The financial strength and activities of the company.
- 2.17 The license arrived by mail at [REDACTED] [REDACTED] soon after August 10 2006 and was filed by office staff.
- 2.18 We had no reason to check the license as it was supposed to be a simple transfer from [REDACTED] [REDACTED] to [REDACTED].
- 2.19 The QBSA did not contact me, or my accountant, to express any concern, or indicate the license differed from what had been applied for, or was not equivalent to the license held by [REDACTED].

- 2.20 However the QBSA did write me a letter congratulating me on my new license (exhibit 9).

3 2006 to 2008: QBSA's actions inconsistent with the license they issued.

- 3.1 In 30 June 2007 we applied to the QBSA for an increase in our turnover from \$10m to \$12m to undertake new commercial/residential contracts to the value of \$24m over a two-year period.
- 3.2 The QBSA granted the increase (exhibit 10).
- 3.3 Either the QBSA acted extraordinarily carelessly in not consulting its records to see if our license entitled us to such a turnover, or their records at that time showed that the license we held was low rise with an annual turnover of \$10m.
- 3.4 In 2006 and 2007 [REDACTED] applied to the QBSA for residential insurance totaling \$4,050,000 to cover specific large value residences to be built by [REDACTED].
- 3.5 The QBSA was required to check the insurance cover applied matched the company's license.
- 3.6 Such insurance would not be permitted under the *open restricted* license.
- 3.7 The QBSA issued the insurance as requested on 11 August 2006; 12 August 2007 and 13 September 2007 (exhibits 11, 12, 13).

- 3.8 Again, either the QBSA acted extraordinarily carelessly in not consulting its records to see if our license entitled us to the insurance, or their records at that time showed that the license we held included *low rise* with an annual turnover of \$10m
- 3.9 In short, it was a tremendous bureaucratic bungle by the QBSA that it has sought to cover up ever since.
- 3.10 From their actions it appears that the QBSA had intended to issue [REDACTED] with a *low rise* license permitting turnover up to \$10 and later \$12m dollars and until 2008 believed that they had.

4 2008: the actions of the QBSA after realizing [REDACTED] [REDACTED]. had been issued with the wrong license.

- 4.1 In or about April 2008 I instructed a subcontractor to re-do a botched plastering job.
- 4.2 As part of the dispute that followed it emerged that [REDACTED] did not have the appropriate license for the work we had performed between 2006 and 2008.
- 4.3 Following the revelation of the mistake in the license, the QBSA issued the company with the appropriate license *Builder Low rise* on 30 April 2008 (exhibit 14).
- 4.4 However the QBSA refused make this retrospective, putting a question mark over the status of construction work, and contracts signed, by [REDACTED]
[REDACTED] between 2006 and 2008.

- 4.5 I spoke to [REDACTED], acting manager in [REDACTED] absence, several times about the problems that would arise if the license was not made retrospective but he said (via email) that under the act [REDACTED] [REDACTED] was still eligible to be paid. (exhibit mislaid).
- 4.6 This statement was made despite the loss of the case against [REDACTED].
- 4.7 In a meeting on 11 May 2011 that included [REDACTED] [REDACTED], [REDACTED], my lawyers and I, [REDACTED] said he would negotiate a settlement because they accepted partial liability.
- 4.8 I was told that the statement was made *without prejudice* and therefore could not be used in court.
- 4.9 The QBSA never negotiated on degree of liability, but went after me with no holds barred.
- 4.10 In public [REDACTED] and [REDACTED] continually denied any responsibility for issuing the wrong license.
- 4.11 They claim the QBSA was entitled to issue a restricted license as *Builder open*, the highest category of license, was written on the application.
- 4.12 If this was indeed the case, why restrict the company to the lowest category *builder restricted*, instead of one of the middle categories, *middle rise* or *low rise*?
- 4.13 If the QBSA had concerns about the application why didn't they inform the company?
- 4.14 The QBSA have not explained why they issued a different license to that held by [REDACTED] [REDACTED], although it was supposed to be a direct transfer of the license.

- 4.15 Similarly, they have not explained why the license they issued was inconsistent with the financial statements in the application.
- 4.16 And they have not explained why the license included only a minor part of the Builder Nominee's license, when their own regulations demand equivalence.

5 2008-2012: Impact on [REDACTED]

- 5.1 Word quickly spread that [REDACTED] had been operating under an inappropriate license.
- 5.2 Because [REDACTED] had been operating under the wrong license we were unable to pursue clients for non-payment of debt, and could not bring legal proceedings against subcontractors who had not fulfilled their obligations.
- 5.3 In the face of mounting debts, to keep the company solvent and pay creditors I liquidated all of my, and my wife's, assets and eventually sold our home.
- 5.4 There were insufficient funds and in July 2009 [REDACTED] was forced into liquidation owing \$1.1m
- 5.5 On 8 September 2009 the QBSA cancelled [REDACTED] license and my own individual license removing my ability to work as a builder and to complete work on projects already commenced.
- 5.6 Under the statutory insurance scheme the QBSA then took on responsibility for handling problems resulting from the liquidation of the company.

- 5.7 In this role the QBSA
- (i) ignored the terms of original contracts for cost plus and treated the contracts as if they were fixed price, appointing subcontractors to do work clients had not paid for;
 - (ii) paid excessive amounts to subcontractors for that work;
 - (iii) failed to adequately supervise work performed.
- 5.8 The costs the QBSA incurred, approximately \$184,000, were then charged to me personally as the sole director of [REDACTED].
- 5.9 Because I believed, and still believe, that the QBSA was at fault I challenged these costs in court.
- 5.10 The QBSA approached the court case with unlimited funds hiring a legal team who made mincemeat of my lawyers.
- 5.11 On 31 August 2012 the Judge found in favor of the QBSA.
- 5.12 I have until 28 September 2012 to appeal.
- 5.13 However, I do not have the funds.
- 5.14 I understand on 10 October 2012 QBSA will begin proceedings to bankrupt me.

6 Intimidation and Harassment by QBSA.

- 6.1 Prior to commencement of the court case, on May 24 2012 the QBSA debt recovery officer phoned me without warning and demanded to know where I was working and who I was working for.

- 6.2 In the same conversation he demanded to be shown my wife's block (the mortgaged vacant land at [REDACTED] [REDACTED] where we were camped in a container paid for by my wife's family, and which was provided as security for [REDACTED], the company I now work for).
- 6.3 Although there was a meeting scheduled with the QBSA for a week later, the debt recovery office demanded that I meet him at a bar in [REDACTED] that day.
- 6.4 My lawyer advised against the meeting explaining the debt recovery officer did not have the authority to make such demands, that requests for meetings should be in writing, and that the QBSA could not demand access to my wife's property.
- 6.5 When I explained this to the debt recovery office he abused me and said I was not doing myself any favors and he was going to look at my wife's block whether I liked it or not.
- 6.6 On the same day the same debt recovery office phoned [REDACTED], a licensed medium rise builder and the Nominee Builder for [REDACTED] and demanded he withdraw his name as nominee of the company.
- 6.7 When [REDACTED] refused, the debt collection officer threatened that if there were any problems with [REDACTED] he would come after him personally.
- 6.8 On the day the decision was given against me, Friday 31 August 2012, the same debt collection officer called my home phone, my wife's phone, and my mobile, looking for me.

- 6.9 When I returned the phone call the debt recovery officer demanded that I call him by Monday with an offer of settlement to the QBSA.
- 6.10 He stated that unless I made an offer immediately the QBSA would pursue me for all their costs including the costs of their accommodation, air flights, and time, as well as court costs and lawyers' fees.
- 6.11 He said he had permission from [REDACTED] and [REDACTED] to make the call.
- 6.12 My solicitor was furious not only at what was said but because demands for an offer cannot legally be made until 28 days after the judgment, and rang the debt collection officer to instruct him to stop calling me.
- 6.13 The QBSA solicitor then phoned my solicitor, and threatened him with repercussions if he ever phoned a QBSA employee again.
- 6.14 The debt recovery officer contacted my solicitor again and said he would wait the required 28 days, but even if I appealed and won the QBSA would take it higher and I could never win because if I did it would be setting a precedent and the QBSA had unlimited funds and would not allow this to happen.
- 6.15 He reiterated that he was going to go after [REDACTED]

7 Comments on the QBSA

- 7.1 For all intents and purposes the QBSA does not have a supervising authority.

- 7.2 Because of this lack of supervision the QBSA has become a law unto itself, furthering its own agenda at the expense of both consumers and builders.
- 7.3 Intimidation and harassment has become commonplace for the staff and is now part of the culture of the QBSA.
- 7.4 Builders are afraid to stand up to the QBSA because of the power it wields.
- 7.5 The QBSA accepts sub standard work and pays excessive prices to the sub contractors it appoints to rectify consumer complaints or complete projects, with numerous instances of QBSA hired subcontractors performing unnecessary and ill-conceived work to the detriment of the project and the consumer.
- 7.6 The unnecessary costs that the QBSA incurs are a cost on government and consequently on taxpayers.

8 Recommendations

- 8.1 This Inquiry be extended, or a new Inquiry be set up with extended objectives, to allow more input from Queensland builders most of whom are not aware of the Inquiry.
- 8.2 The Minister restructures the QBSA in consultation with consumers and the building industry.
- 8.3 As part of that restructure a body be set up to supervise the activities of the QBSA and deal with complaints against it.
- 8.4 A new leadership with knowledge of the building industry but with no history of employment with the QBSA be appointed.