

ON GOING EFFECTS OF INSULATION CLOSURE

From the 19TH FEBRUARY

2010



Our building company Splash Inn Pty Ltd was invited to sit and listen to the stimulus package proposals from key leaders from the State and Federal governments at Mingara Recreational Club, Central Coast NSW April 2009.

After the meeting our company new we were able to assist in 2 of the proposals. One being with the Department of Housing NSW because I had a multi-unit development I wanted to sell (acquisition). I introduced myself to Julian Neyla (A/director Asset Performance) and was given contact details of the correct person overseeing this and was able complete our business by end of June 2009 successfully.

I then introduced myself to Senator Mark Arbib who was the main special guest speaking about all packages. His speech was focused on the insulation and how the government needed our help and would not stop pushing this to us builders who sat and listened. I said to Mark Arbib this introduction of the insulation package is like a storm disaster which will create CHAOS and because we are experienced in chaos situations we will help the government. Mark Arbib said, we need you professional builders and it will be worth your while. He shook my hand and left. This to me is some kind of contract is it or not.

Our understanding of this package was that it was only going to be pre-existing insulation businesses, Builders and building trades' persons who are already trained and

experienced due to the dangerous environment. To hear that basically anyone can be an installer with no trade experience when the package already began July 1st 2009 gave me a cold feeling that people could die if they weren't trained to understand the dangers involved in working in ceilings - how could our government be so naive.

Anyway our company all ready committed with the trading name STIMULUS INSULATION soldiered on as a professional outfit as our government would expect we do.

19th February 2010

On the day of closure for the Labour Governments Stimulus Insulation Package our company was already stressed from the governments' continuous radical movement of the goal post.

This been costly in more ways than one. Because I was constantly re adjusting our business plan to keep the insulation business out of trouble and ensure we were able to exit the scheme at least with the aim of breaking even so that the whole exercise didn't become a huge waste of time and money I was unable to devote the necessary time to run my building business which has also suffered and collapsed because of this stress and distractions. Every time I would reorganize the company the government would change the goal posts. This I found extremely stressful as I had invested a lot of my own and other people's money into this insulation scheme.

Having personally already had a stress break down just before the Xmas and a 2 ½ week holiday break I thought I would be able to succeed and get ourselves out of this Insulation business by July 2010 and build up our building contracts again and move on from this debacle.

After the government announcement on Feb 19TH because of the financial mess the government left my business in I have lost my job, employees, reputation, home. How do I provide for my children and where will I find the money to give them a chance in life in the most important time in their lives when hundreds & thousands of dollars have gone up in smoke.

The Effects

4500 Bags stocked piled = \$190,000-00. Given away for free due to not able to afford storage in 2 warehouses and company other debt.

2 warehouses costing = \$4000-00 per/month and still costing due to some insulation bags still remaining.

Government owed \$45,000 and now has an outstanding amount of \$20,400 for top ups

Additional debts the company owes;

Advertising that we were contracted to complete after the closure

Office phones, mobile phones, internet lease contracts valued at \$17,000.

Two business premises one lease and one \$600,000 owned property with a mortgage attached which is on the market before liquidators take possession.

Taxation.

Vehicle leases

Insurance policies.

Business loans

Other creditors.

16 years of self employment and a successful building career. I have been placed on disability leave with an Adjustment Disorder with Anxiety Features Related to Government Failed Roof Insulation Policy, condition due to the closure to the Stimulus insulation package. My Doctor has diagnosed me for this from the 23rd of February 2010. I hope I can beat this predicament.

The company has been devastated from this and will not recover from this unless the government pays for the outstanding account immediately and pay full price of the cost of the material left over from the closure. I deserve compensation from the after effects the government has left me to contend with.

But I can not see this happening in the near future and we are prepared for financial ruin. Company is about to be placed in administration and myself placed in personal bankruptcy for being the holder of the private guarantees.

I know the Labour Federal Government is not silly. But no doubt they will take their time and more companies across the country will close their doors everyday and these companies will have no recourse against the government when they do eventually compensate. Again small businesses take the brunt of the governments' awful mistakes. WE CAN NOT wait for COMPENSATION WE NEED HELP NOW!

Regards,

Mark Delany
31st May 2010