

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Australian Securities and Investment Commission

Question No: 209

Topic: Complaints about Home Australia Pty Ltd

Reference: Hansard page 37, 19 October 2016

Senator: Senator Alex Gallacher

Question:

Senator GALLACHER: Has the commission received any complaints regarding Home Australia Pty Ltd?

Mr Day: My understanding is that we may have but I can take that on notice.

Senator GALLACHER: Can you provide the detail of it?

Mr Day: Not off the top of my head. I can take that on notice and get back to you, if you like.

Mind you, the nature of any complaints that ASIC receives are confidential.

Senator GALLACHER: You could give us the number of complaints.

Mr Day: Yes. If there are, I believe it would be a very small handful.

Answer:

ASIC is aware of concerns from creditors about the failure of Home Australia Pty. Ltd. (ACN 075 303 767) (In Liquidation) (Home Australia) and its subsidiary companies:

- Ashford Homes Pty Ltd (ACN 009 217 976) (In Liquidation)
- Collier Homes Pty Ltd (ACN 008 681 454) (In Liquidation)
- Homestead Homes Pty Ltd (ACN 008 011 041) (In Liquidation)
- Huxley Homes Pty Ltd (ACN 106 443 216) (In Liquidation)
- Newstart Homes (S.E. Qld) Pty Ltd (ACN 080 910 238) (In Liquidation), and
- Smart Road Property Rentals Pty Ltd (ACN 008 038 024) (In Liquidation).

The companies entered into liquidation on 17 October 2016 with Matthew Wayne Caddy and Barry Frederic Kogan of McGrathNicol appointed as the liquidators.

As Home Australia and its controlled entities are in liquidation, ASIC can expect to receive a report from the liquidators if their investigations reveal evidence of misconduct by a director or officer or the companies are unable to repay more than 50 cents in the dollar to their creditors.

ASIC encourages creditors with concerns about the companies' failure to contact the liquidators in the first instance. ASIC Information Sheet 175 *Misconduct within a company when an insolvency practitioner has been appointed* provides information on ASIC's approach to concerns from creditors of companies in liquidation. As set out in the information sheet, we advise that we will generally await receipt of a report from the liquidator before determining whether further regulatory action may be appropriate in the circumstances.

Home Australia clients may also wish to seek advice about reporting their concerns to their State or Territory Fair Trading office, particularly for information about claiming against any builders home warranty insurance policy that may be available.

One creditor of Home Australia Pty Ltd representing a group of creditors has complained to ASIC raising concerns about the companies' failure. ASIC has assessed and recorded the concerns raised to assist our consideration of taking regulatory action on receipt of any report from the liquidators.

ASIC keeps all reports of misconduct we receive confidential, and we do not generally comment on whether we have received reports of misconduct about a particular entity or from a particular person.