

Home builder going to wall

Jane Harper

THE Great Australian Dream for 50 Victorians may vanish in a cloud of builder's dust.

Construction company Australia's Residential Builder has gone into administration owing creditors more than \$3.5 million.

The Port Melbourne-based firm has more than 50 homes in suburban Melbourne and regional Victoria under contract, leaving those prospective homeowners in limbo.

"At this stage we are trying to come to terms with which of these projects can be completed and whether the company is salvageable," administrator Richard Rohrt said.

A string of tradesmen and suppliers are out of pocket, some to the tune of more than \$100,000.



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Mr Rohrt, of Hamilton Murphy, said it was too early to say how much creditors could expect to get back.

One Melbourne plumbing business owed \$125,000 said the collapse could spell the end for several small businesses if they could not recover what they were owed.

"It's a tough time in the building industry, so there are

a lot of people who have been left in the lurch. For some people it could be the final straw," a spokesman said.

"We had noticed for some months they were behind in their payments, but they were reassuring people right up until last week that everything would be fine."

Mr Rohrt and joint administrator Leigh Dudman said

they were assessing the state of ARB's finances and assets.

Mr Rohrt said five of 15 staff had been retained to help the administration.

All workers, mainly back office and finance staff and supervisors, are expected to get their full entitlements.

Mr Rohrt said the main creditors were government authorities such as the tax office, as well as utilities suppliers and subcontractors.

He said it was not yet clear what had gone wrong with the business, founded in 2009.

"At this stage we don't know what has turned an inherently profitable company into a cash-flow problem," he said.

Mr Rohrt said he hoped a buyer could soon be sought for all or part of the business.

The first creditors' meeting is due on August 19.

Hope for buyer

THE administrator of financially troubled ARB Homes is hopeful a buyer will be found to take over the construction contracts of the Port Melbourne building company.

"At this stage we have people out there, including two registered builders, trying to ascertain what profit there is in the current work in progress and in the existing contracts," insolvency specialist Hamilton Murphy administrator Richard Rohrt said.

'ARB's remaining director Graeme Varcoe called in the administrator after the recent resignation of fellow director Robert Wiederstein.