

Seeley awarded \$13m in damages

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ADELAIDE airconditioning empire Seeley International has been awarded \$13.2m in damages after receiving tens of thousands of faulty chips from an electronics manufacturer.

The defective chips caused the company's heaters to automatically shut off for no reason, leaving more than 20,000 units requiring repair.

But Seeley's damages could be a hollow victory for the Lonsdale firm as the supplier, Millennium, is now in liquidation and payment of the money is far from guaranteed.

Millennium did not offer a defence at the trial. Rather, Seeley put forward its argument about how much in damages it should be awarded.

Justice Mark Livesey said in his published judgment that more than 23,425 control boards within heaters had to be replaced because of the malfunction.

The need to continuously replace the boards, sometimes several times for the same customer, damaged Seeley's brand and relationship with stores that exclusively supplied their wares.

Justice Livesey found Millennium had breached its contract with Seeley as well as breaching its duty of care to provide working parts for the heaters.

"Millennium knew that Seeley would be relying upon its design expertise ... in the residential heating market," he said.

"Millennium knew, or should have known, that in the event of defective design and malfunctioning Integrated Control System units, the occupants of residences would be exposed to the risk of injury, death or property damage."