



ABOUT THIS GUIDE

- ▶ This guide will give you an understanding of your rights and responsibilities in relation to the *Housing Indemnity Act 1992* in Tasmania.
- ▶ Your builder must give you a copy of this guide before performing any building work on or at your home if the cost of the building work is to be more than \$12,000.

THE HOUSING INDEMNITY ACT

- ▶ The Act protects consumers by providing that:
 - > Building work must be of a certain quality or standard. This means that a builder is responsible for defective work and for the quality of materials used.
 - > Work must be performed within the time frame given in any written contract, or within a reasonable time.
 - > The amount of deposit that a builder can ask for 'up-front' and for later progress payments is limited.
- ▶ The *Housing Indemnity Act* applies if you are building a new house or extending or renovating an existing house, where the value of the work is more than \$12,000.

DO I HAVE TO TAKE OUT ANY INSURANCE?

- ▶ **There is no legal requirement for consumers to take out any insurance when building in Tasmania.**
- ▶ **Prior to 1 July 2008 it was mandatory to have housing indemnity insurance in Tasmania. The government removed this requirement because it did not provide value for money and consumers were only protected if their builder died, disappeared or became insolvent.**
- ▶ **If you are renovating you should check that your home insurer will cover your home for damage or loss during the construction period.**

WHAT IF MY BUILDER DOES DEFECTIVE WORK?

- ▶ The Act operates to ensure that builders are responsible for the standard of their work and the quality of materials used. If your builder performs work or provides materials that do not meet these standards then the builder may need to fix the problem or make a payment of compensation.
- ▶ If you are the purchaser of a property you may be protected by safeguards under the Act (time limits apply).

HOW MUCH CAN MY BUILDER ASK FOR 'UP-FRONT'?

A builder can ask you to make a payment before starting work, however:

- > You only have to pay a 10% deposit, if the contract price is between \$12,000 and \$20,000.
- > You only have to pay a 3% deposit, if the contract price is more than \$20,000.
- > The Act does not apply if the contract price is less than \$12,000.

These rules apply regardless of what is written in your contract.

MY BUILDER HAS ASKED FOR A PAYMENT BEFORE COMPLETION OF WORK.

Your builder may ask you to make 'progress payments'. This is so that they can cover their costs for materials and labour as the job progresses.

A builder can only ask you for a payment that represents a genuine progress payment for work already done. This rule applies regardless of what is written in your contract.

WHEN THINGS GO WRONG

If you have a building dispute or a problem, you should first discuss this with the other party. If you cannot solve the problem or you need further information or advice, you can contact Consumer Affairs and Fair Trading's building dispute advisory and resolution service.

Generally, your rights under the *Housing Indemnity Act* are enforceable through the Magistrates Court, however it may be useful to seek advice from Consumer Affairs and Fair Trading before taking any action.

Further important information on building and renovating is available from the Consumer Affairs and Fair Trading website

www.consumer.tas.gov.au

WHERE TO GET MORE INFORMATION

► Building Disputes

Consumer Affairs and Fair Trading
15 Murray Street, Hobart, 7000

Phone: 1300 654 499

Email: consumer.affairs@justice.tas.gov.au

Web: www.consumer.tas.gov.au

► Accreditation of Building Practitioners

► Building Standards and Regulation

Workplace Standards Tasmania
PO Box 56, Rosny Park, 7018

Phone: 03 6233 7657 (Outside Tasmania)
or 1300 366 322 (Inside Tasmania)

Email: wstinfo@justice.tas.gov.au

Web: www.wst.tas.gov.au/building

► Planning and Building Permits

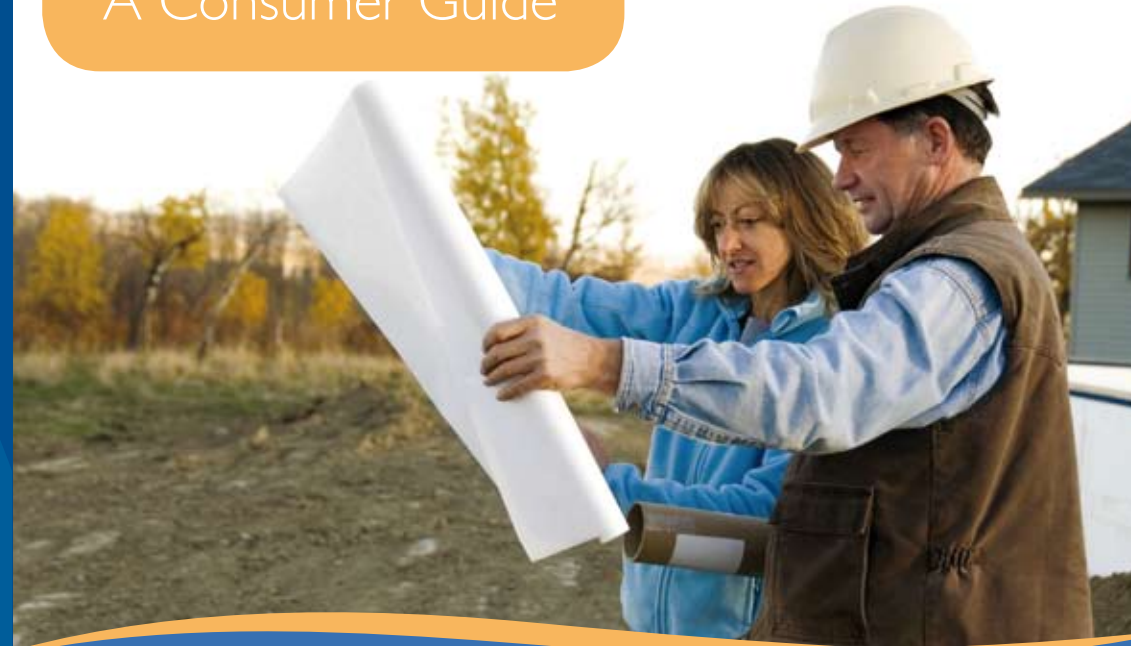
Information about planning and building permits should be obtained from your local council.

A full listing of Tasmanian councils is found at www.lgat.tas.gov.au



ARE YOU **BUILDING** OR **RENOVATING** A HOME ?

A Consumer Guide



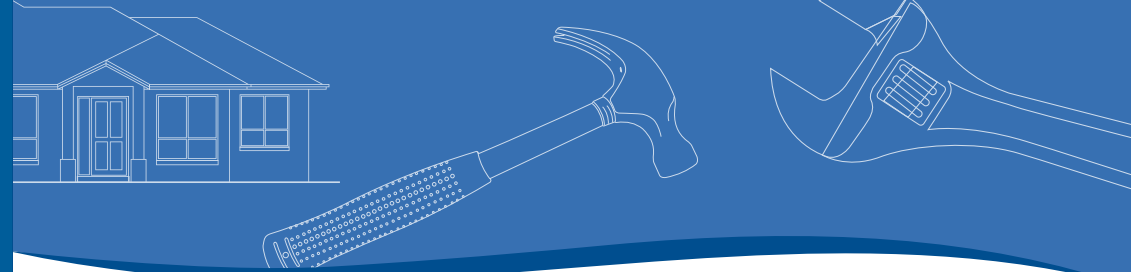
Copies of this booklet

If you wish to order additional copies of this booklet please telephone Consumer Affairs and Fair Trading on 1300 65 44 99 or write to GPO Box 1244, Hobart, 7001.

Disclaimer

This document is prepared as a layman's guide to the law relating to consumer building in Tasmania as at 1 July 2008. No responsibility is accepted for any errors or omissions which it may contain. For precision, reference should be made to the *Housing Indemnity Act 1992*.

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Department of Justice