

Consumer Building Guide

Mandatory information for consumers

Builders and tradespeople must give you a copy of this guide before entering into a contract for residential building work that costs more than \$5,000. Read this guide to help protect your rights, carry out your responsibilities and support your building project.

Protecting consumers under home building laws

NSW Fair Trading is the NSW Government agency regulating residential building work (including building or trade work on single dwellings, villas, houses and home units) under the *Home Building Act 1989*.

What to consider before work starts

Licensing

Licensing requirements include:

- tradespeople and builders carrying out residential building work valued at more than \$5,000 must be licensed by NSW Fair Trading (check a licence on the Fair Trading website or by calling 13 32 20)
- regardless of the work's cost, a licence is always required for specialist work (like plumbing, air conditioning and refrigeration, electrical work and gasfitting)
- if the work requires more than one tradesperson, you need a builder to manage the building project and co-ordinate the tradespeople, such as plumbers, painters and carpenters.

Home Building Compensation Scheme

The State Insurance Regulatory Authority (SIRA) regulates home building compensation (HBC) cover in NSW. HBC cover is required where work is worth more than \$20,000 (including labour and materials). The builder or tradesperson must give you evidence of HBC cover before they start work on your project or you pay them any money, including a deposit. For more information or to check the validity of your cover, visit sira.nsw.gov.au or call 13 10 50.

Approvals

To help your building project go smoothly:

- check with your local council or an accredited private certifier on approvals your building work needs
- engage a building certifier. This is your responsibility, not the builder's.

Contracts and payments

All contracts must be in writing. The two main contract types are:

- **fixed price or lump sum** - where the builder or tradesperson agrees upfront to a fixed amount for the whole job. Unforeseen changes during construction may affect the final cost
- **cost plus contract** - there is no guaranteed final cost for the job (often this contract is used where the project's nature prevents the final cost from being calculated). The consumer repays the builder for verified direct and indirect costs and fees at regular intervals. It is good practice for the builder to give a non-binding estimate before starting, and track costs with you against the project's budgeted estimate.

Residential building work **worth less than \$20,000** must be done under a 'small jobs' contract. The written contract must be dated and signed by, or on behalf of, each party. It may specify that work be paid for at regular intervals. It must contain:

- the parties' names, including the name of the holder of the contractor licence as shown on the contractor licence
- the number of the contractor licence
- a description of the work
- any plans or specifications for the work, and
- the contract price, if known.

Residential building work **worth more than \$20,000** requires a full home building contract. As well as all of the requirements of the 'small jobs' contract, it must

include other comprehensive information such as the details of the statutory warranties the builder must provide, the cost of any applicable HBC cover and the contract price or warning that the contract price is not known. Find a **complete list of contract requirements** on our website.

All contracts over \$20,000 in value must have a progress payment schedule. Progress payments must match the work carried out and, for cost plus contracts, be supported by receipts or other verifying documents.

Any change you need to make to a contract is a **'variation'**. Variations must be in writing and be signed by both parties to the contract. Almost all will impact the contract price.

The **maximum deposit** you can be asked to pay before work starts is 10%.

Common traps and tricks

Beware of:

- an extremely low quote compared with others. This may indicate the job's quality is being compromised, or that the builder may not fully understand what is required
- `sales pitches` putting pressure on you to sign a contract quickly to avoid a price increase
- a builder who recommends you get an owner-builder permit while they organise all the building work. The builder may be trying to avoid responsibility and may not have the right kind of licence or HBC cover.

When things go wrong

Statutory warranties

Builders and tradespeople must guarantee that their work is fit-for-purpose, performed diligently and delivered in a reasonable timeframe, in line with the contract. Unless otherwise specified, materials should be new and appropriately used. These warranties are time-limited: legal proceedings to enforce them must be commenced within 6 years for major defects and 2 years

for all other defects. There is another 6 months for both warranty periods if the defect only became apparent after 18 months or 5 and a half years. Find out more about these warranties on the Fair Trading website.

Resolving a dispute with your builder or tradesperson

These steps can help you resolve a dispute:

- **you must notify your builder or tradesperson** and discuss concerns as soon as you become aware of a problem. Follow up with an email or letter
- **understand acceptable work standards** by downloading the *Guide to Standards and Tolerances* from our website
- contact Fair Trading for **free dispute resolution** if you and your builder or tradesperson are unable to resolve the dispute
- lodge a claim with the **NSW Civil and Administrative Tribunal (NCAT)** if you remain unsatisfied with the dispute resolution outcome
- protect your rights under the **HBC Scheme**: contact your insurer or provider as soon as you become aware of defective or incomplete work.

Home building compensation disputes

For help resolving disputes with a HBC insurer or provider, visit the SIRA website sira.nsw.gov.au or call 13 10 50.

More information

Visit the Fair Trading website to:

- learn more on your rights and responsibilities and the statutory warranties
- do an online licence check to verify a builder or tradesperson's licence details
- find out about dispute resolution
- download free home building contracts
- subscribe to enews.

Certificate of Currency

Date of Issue: 21 August 2020

Neil Winterborn
HVNL Pty Ltd
PO Box 66
KOTARA NSW 2289

Contact: Michael McPherson

t: 61 2 4920 3719
e: michael.mcpherson@aon.com

We hereby certify that the under mentioned insurance policy is current as at the date of this certificate, please refer to the important notices below.

Policy Type	Public and Products Liability
Insured	HVNL Pty Ltd Shade Builders Pty Ltd
Insurer	Insurance Australia Limited T/As CGU Insurance ABN: 11 000 016 722
Policy Number(s)	10M6805318
Period of Insurance	From: 4.00 pm 31/08/2020 Local Standard Time To: 4.00 pm 31/08/2021 Local Standard Time
Interest Insured	The Insured's Legal Liability to pay compensation in respect of: (a) Injury to any person (b) Property Damage (c) Advertising Injury Occurring within the Geographical Limits during the Period of Insurance as a result of an Occurrence happening in connection with the Insured's Business or Products
Limits of Liability	\$20,000,000 any one Occurrence, but limited to \$20,000,000 any one Occurrence and in the aggregate for all Occurrence arising out of Products during the Period of Insurance
Situation of Risk	Anywhere in the world except United States of America and Canada other than in respect of: (a) Products sent to the United States of America and/or Canada without the knowledge of the Insured or (b) Business visits by directors, officers and non manual employees normally resident outside USA or Canada
Remarks	Nil advised

Further Information

Should you have any queries, please contact us on the details set out at the top of the page.

Important notes

- Aon does not guarantee that the insurance outlined in this Certificate will continue to remain in force for the period referred to as the Policy may be cancelled or altered by either party to the contract, at any time, in accordance with the terms of the Policy and the Insurance Contracts Act 1984 (Clth).
- Aon accepts no responsibility or liability to advise any party who may be relying on this Certificate of such alteration to or cancellation of the Policy.
- Subject to full payment of premium
- This certificate does not:
 - represent an insurance contract or confer rights to the recipient;
 - amend, extend or alter the Policy; or
 - contain the full policy terms and conditions

000153 PcOut_0 EMAIL
Neil Winterborn
HVNL PTY LTD
10 Myra Street
NEW LAMBTON NSW 2305

Issue date:

27/07/2020

Print date:

27/07/2020

Dear Neil

Statement of coverage

The following policy of insurance covers the full amount of the employer's liability under the *Workers Compensation Act 1987 (NSW)*.

Employer name:	Policy number:	Valid:
HVNL PTY LTD	182019301	29/06/2020 - 29/06/2021
Trading name:	ABN:	ACN:
HV Aluminium	90 624 195 517	624 195 517

Industry classification number (WIC) ³	Number of workers ¹	Wages/units ²
453900 Building Supplies Wholesaling nec	25	\$1,704,500.00

1. Number of workers includes contractors/deemed workers

2. Total wages/units estimated for the current period

3. The policy covers all workers employed by the entity named on this certificate in the course of its primary business activity or any other activities ancillary to its primary business activity as required.

Important information

Principals relying on this certificate should ensure it is accompanied by a statement under section 175B of the *Workers Compensation Act 1987 (NSW)*. Principals should also check and satisfy themselves that the information is correct and ensure that the proper workers compensation insurance is in place, i.e. compare the number of employees on site to the average number of employees estimated; ensure that the wages are reasonable to cover the labour component of the work being performed; and confirm that the description of the industry/industries noted is appropriate. A principal contractor may become liable for any outstanding premium of the sub-contractor if the principal has failed to obtain a statement or has accepted a statement where there was reason to believe it was false.

Yours faithfully,

Peter Meighan
Underwriting Operations Manager
icare Workers Insurance

Certificate of Eligibility for insurance with the Home Building Compensation Fund

Insurance and Care NSW (icare) provides services to the insurer, the NSW Self Insurance Corporation (icare hbcf), under section 10 of the *State Insurance and Care Governance Act 2015* in relation to the provision of insurance under Part 6 of the *Home Building Act 1989* (the Act).

icare hbcf has issued this Certificate of Eligibility subject to the following limitations and conditions (and any other conditions separately imposed). This Certificate of Eligibility is not to be used as a Certificate of Insurance as required under the Act. Homeowners are not automatically covered as a result of this Certificate of Eligibility, and separate Certificates of Insurance are required in respect of individual building projects.

Details of Eligibility

Name of Insured Building Contractor:	HVNL Pty Ltd	
Building Contractor's Licence Number:	322844C	
Approved Open Job* Value:		\$2,900,000
Approved Open Job* Number:		79

*Open jobs represent the maximum aggregate contract value and number of insured projects permitted to be incomplete at any point in time.

Maximum Contract/Project Value by Construction Type

Construction Type	Maximum Contract Value
Single Dwelling Alterations / Additions - Structural	\$550,000
Single Dwelling Renovations - Non Structural	\$250,000
Multiple Dwellings Renovations - Non Structural	\$100,000

Date of issue of certificate:	27 May 2019
Date of expiry of certificate:	26 May 2022



hbcf Certificate of Eligibility © State of New South Wales through NSW Self Insurance Corporation 2017

Where a Builder wishes to contract for projects outside their Details of Eligibility as set out in this Certificate they should contact their approved icare hbcf distributor for assistance. This may require the provision of additional financial and/or technical information and will be subject to icare hbcf agent's approval.

This Certificate of Eligibility is not to be used as a Certificate of Insurance as required under the Act. Homeowners are not automatically covered as a result of this Certificate of Eligibility, and separate Certificates of Insurance are required in respect of individual dwellings within each building project.

- 1 This Certificate creates no contract of insurance, nor does it give any right to insurance in relation to any particular building work.
- 2 icare hbcf, acting through its agent, reserves the right to refuse any or all applications for insurance and seek additional information from the builder from time to time. This information will include, but is not limited to financial reports, project details and technical references.
- 3 The Builder's ongoing eligibility will be subject to the Builder meeting and complying, on a continuous basis, with icare HBCF eligibility conditions and review requirements.
- 4 This Certificate of Eligibility can be cancelled at any time at the absolute discretion of icare hbcf. Events that may cause cancellation include, but are not limited to: failure to address claim notifications, adverse construction performance, changes in financial structure, stability or performance, and/or failure to provide additional information fairly and reasonably required. icare hbcf may, at any time, review matters which it has previously considered when deciding whether to continue Eligibility.
- 5 The Eligibility Manual published on the icare website is a key reference source for applying for and maintaining Eligibility with the Home Building Compensation Fund.
- 6 Withdrawal of Eligibility may result in the imposition of a condition on a Builder's contractor licence under the Act limiting the Builder to contracting for work not requiring insurance under Part 6 of the Act.
- 7 If, under the Act, a Builder's contractor licence is not issued or renewed/restored, or it is surrendered, cancelled or suspended this Eligibility will not apply and will be cancelled without notice. Reinstatement of Eligibility following any of these events may be subject to a new review/assessment by icare hbcf's agent.
- 8 Work in relation to the Construction Types set out on page one of this Certificate of Eligibility may only be undertaken/contracted where permitted by the Builder's contractor licence issued under the Act. Descriptions of the work covered by the different licence classes are available on the NSW Fair Trading website at www.fairtrading.nsw.gov.au. It is an offence under the Act for a Builder to contract/undertake work not covered by their licence.
- 9 It is an offence under s.103EA of the Act to give false and misleading information in an application for insurance. If you have given false and misleading information to procure this Eligibility, icare hbcf will cancel the eligibility and report the matter to the relevant authority.
- 10 References on this Certificate to Builder include and apply to trade contractors and other building contractors (e.g. electricians, plumbers, carpenters, swimming pool builders etc.).

PO Box 972
Parramatta NSW 2124
Tel 13 32 20
ABN 81 913 830 179
www.fairtrading.nsw.gov.au



07 MAY 2018

**Fair
Trading**

656
HVNL Pty Ltd
PO Box 66
KOTARA NSW 2289

Receipt No: 10001424696-01
Receipt Date: 21/02/2018

Note: This is also a **Tax Invoice**.
Please retain this letter for future tax
purposes if required

Receipt Amount \$2143.00
Licence Number 322844C

Dear Licence Holder,

Please find attached your Contractor Licence card.

Your rights as a Contractor Licence holder are:

- You may contract and advertise to carry out work for which the licence has been issued;
- You have access to the NSW Civil and Administrative Tribunal to resolve disputes with licensed contractors, suppliers, manufacturers and consumers.

Your statutory responsibilities as a Contractor Licence Holder are:

- All work where the reasonable market value of the combined labour and material costs exceed \$5,000 must have a written contract;
- All contracts must show the names of the contractor and the consumer and must include the licence holder's name, licence number, contract price, plans and specifications (where applicable) and relevant warranties required by the *Act 1989*. You can download a contract for free from the Fair Trading website;
- You are not permitted to request a deposit for more than 10% of the contract price;
- Individuals holding a licence as a Builder or Swimming Pool Builder must do Continuing Professional Development (CPD) to renew their licence. Details can be found on the Fair Trading website.



PLEASE SEE OVER FOR MORE IMPORTANT INFORMATION
A division of Department of Finance, Services and Innovation