

Where to buy Office of Fair Trading Home Building Contracts

- Fair Trading Centres
- participating Australia Post outlets Tel. 13 13 18
- some local councils
- for credit card purchases Tel. 1800 639 722

1300 554 668

For help on any fair trading issue call your nearest Fair Trading Centre or Government Access Centre or call the service listed below which is relevant to your enquiry.

Fair Trading Centres – call 13 32 20

Albury	Dubbo	Newcastle	Sydney
Armidale	Gosford	Orange	Tamworth
Bathurst	Grafton	Parramatta	Tweed Heads
Blacktown	Hurstville	Penrith	Wagga Wagga
Broken Hill	Lismore	Port Macquarie	Wollongong
Coffs Harbour	Liverpool	Queanbeyan	

Visit the Home Building Service website

www.fairtrading.nsw.gov.au/building

where you can:

- search the public register online to see if a contractor's licence is valid and current before entering into a contract
- find helpful information for home owners, builders and tradespeople on home building matters.

Specialist Services

Home Building Service1300 554 668

Consumer, Trader and Tenancy Tribunal (CTTT)1300 135 399

TTY9338 4943

(telephone service for the hearing impaired)

Language assistance

Ring the telephone interpreting service on 13 14 50 and ask for an interpreter in your language. The interpreter can then contact the Office of Fair Trading.

Office of Fair Trading
1 Fitzwilliam Street Parramatta NSW 2150
PO Box 972 Parramatta NSW 2124
Tel. 9895 0111

www.fairtrading.nsw.gov.au

Home building contracts

Why you should use one

FT204

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So you've decided to build a new home or maybe you're about to renovate, extend or repair your existing home. Building or renovating can be a rewarding and exciting experience, but there is a lot to consider. You can minimise stress and avoid confusion by making sure that you have a written contract with your chosen builder or tradesperson.

Contracts are necessary under the law

By law, the licensed contractor must provide a written contract to the home owner for building work exceeding \$1000, or if the cost of the labour and materials to be supplied by the contractor exceeds \$1000. This work includes home building, renovation, addition, maintenance or swimming pool installation.

By using a contract you will be prompted to check that your chosen contractor is properly licensed. You should only deal with a contractor who is currently licensed by the Office of Fair Trading. To deal with an unlicensed contractor is to invite trouble, as they may not be properly qualified to do the work.

Contractors who do residential building work without the proper licence are breaking the law and liable for heavy penalties.



IMPORTANT

If a contractor wants you to sign a contract that does not meet all of these requirements, you should not sign it. Contact the Home Building Service for more information.

What information must be included in a contract?

By law, the written contract must contain the following:

- the date it was signed by both the contractor and the home owner
- the name on your contractor's licence card and the licence number
- the home owner's name

- a sufficient description of the work to be carried out
- any plans and specifications attached
- relevant warranties required by the *Home Building Act 1989*
- the contract price, if known, must be prominently displayed on the front page
- a warning if the contract price is not known or is subject to change, and an explanation of the provisions allowing for variation of the price.

From 16 February 2004, contracts are required to also contain among other things, the following:

- a checklist of questions which a consumer will be asked to read with the aim of ensuring they understand a number of issues such as the contract price, home warranty insurance, deposits and who is required to obtain council and other approvals
- a clause which requires the contractor to carry out the work in accordance with the requirements of the Building Code of Australia
- a clause which requires that all variations must be in writing
- a clause which requires the contractor to provide a consumer with a brochure (the *Consumer building guide*) which explains procedures for the resolution of contract and insurance disputes.

Please refer to the *Consumer building guide* for further information.



QUICK TIP

Clear and thorough communication with your contractor can help to avoid or minimise problems. Contractors want to resolve problems too, so try to work it out with them first.

Cooling-off period

Home building contracts are subject to a cooling-off period of five clear business days. Consumers have the right to rescind where notification of the cooling-off period has not been included in the contract.



IMPORTANT

Contact your local Fair Trading Centre to verify that the licence is current and for the type of work you want done or visit our website and do your own online licence check.

Types of contracts

The contractor may wish to use their own contract or one purchased from an industry association. This is fine as long as it contains everything the law requires and that the home owner understands each clause.

The Office of Fair Trading has developed two contracts for residential building work. The simple, easy-to-understand contracts help make everyone's life a little less complicated. They are written in plain English and have accompanying instructions which give a step-by-step guide to the contracting process.

These contracts may be purchased by phone using Bankcard, MasterCard, Visa, American Express or Diners Club on the toll free number **1800 639 722**. Alternatively, they are available at Fair Trading Centres, more than 270 Australia Post outlets across NSW and some local council offices.

Fair Trading home building contracts are:

Home building contract for work over \$25,000 and all residential swimming pools (FT241)

Suitable for new homes, major alterations and additions and any new swimming pool installation. The cost is \$10.85 for a pair – one for the home owner and one for the contractor.

Home building contract for work under \$25,000 (FT240)

Suitable for maintenance and alterations up to \$25,000. The cost is \$10.85 for a pack of ten.