



Home Building Amendment (Threshold for Home Warranty Insurance) Regulation 2012

under the

Home Building Act 1989

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Home Building Act 1989*.

ANTHONY ROBERTS, MP
Minister for Fair Trading

Explanatory note

The object of this Regulation is to provide that:

- (a) the exemption for certain holders of contractor licences from statutory provisions relating to the form and content of home building contracts is also to apply to “small jobs” home building contracts (that is, contracts for home building work valued between \$1,000 and \$5,000), and
- (b) certain contractor licences, subject to other requirements of the *Home Building Regulation 2004*:
 - (i) may be issued to, and may be held by, an undischarged bankrupt but only if the licence concerned is subject to a condition that the holder does not carry out work of a value greater than \$20,000 (rather than the current \$12,000), and
 - (ii) may be issued to a person discharged from bankruptcy within the previous 3 years (or be renewed or restored to such a person) subject to the same condition, and
- (c) a person is eligible to be issued with and hold a contractor licence without holding home warranty insurance if the licence concerned only authorises the holder to carry out building work of a kind that is not required to be covered by home warranty insurance.

This Regulation is consequent on the commencement of the *Home Building Amendment Act 2011* which provided that a written, short form home building contract is required for certain “small jobs” work and also raised the threshold for the requirement for home warranty insurance for residential building work from \$12,000 to \$20,000.

2012 No 87

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Explanatory note

This Regulation is made under the *Home Building Act 1989*, including section 140 (the general regulation-making power).

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Home Building Act 1989

1 Name of Regulation

This Regulation is the *Home Building Amendment (Threshold for Home
Warranty Insurance) Regulation 2012*.

2 Commencement

This Regulation commences on the day on which it is published on the
NSW legislation website.

2012 No 87

Home Building Amendment (Threshold for Home Warranty Insurance)
Regulation 2012

Schedule 1 Amendment of Home Building Regulation 2004

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[1] Clause 15 Exemptions from contract requirements for holders of contractor licences

Omit “section 7 of the Act (Form of contracts)”.

Insert instead “sections 7 (Form of contracts) and 7AAA (Form of contracts—small jobs) of the Act”.

[2] Clauses 26 (2) (c) (i) and (ii) and (3A) (b) (i) and (ii), 39 (c) (i) and (ii) and 39A (1B) (b) (i) and (ii)

Omit “\$12,000” wherever occurring.

Insert instead “\$20,000”.

[3] Clause 48 Exemption from requirement to show insurance has been obtained

Omit clause 48 (2). Insert instead:

- (2) The holder of, or an applicant for, a contractor licence is exempt from the provisions of sections 20 (3) (c), 22A and 40 (2A) of the Act if the contractor licence only authorises the holder to contract to do work of a kind that is not required to be insured under Part 6 of the Act.