

# Home Building Act 1989 No 147

[1989-147]



New South Wales

## Status Information

### Currency of version

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### Provisions in force

The provisions displayed in this version of the legislation have all commenced.

### Notes—

- **Previously named**  
Building Services Corporation Act 1989
- **Does not include amendments by**  
[Home Building Legislation Amendment Act 2001 No 51](#), Sch 6 [3] (not commenced)  
[Building Legislation Amendment \(Quality of Construction\) Act 2002 No 134](#), Sch 2.1 [2]–[4] and [17] (not commenced)  
[Statute Law \(Miscellaneous Provisions\) Act 2011 No 27](#) (not commenced — to commence on 8.7.2011)

### Authorisation

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File last modified 27 June 2011

# Home Building Act 1989 No 147



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# Home Building Act 1989 No 147



New South Wales

An Act to make provision concerning the residential building industry and certain specialist work; and for other purposes.

## Part 1 Preliminary

### 1 Name of Act

This Act is the *Home Building Act 1989*.

### 2 Commencement

This Act commences on a day or days to be appointed by proclamation.

### 3 Definitions

(1) In this Act:

**Administration Corporation** means the Fair Trading Administration Corporation constituted under Part 7.

**Advisory Council** means the Home Building Advisory Council constituted under Part 7B.

**authority** means the following:

- (a) a contractor licence (whether or not an endorsed contractor licence),
- (b) a supervisor or tradesperson certificate,
- (c) an owner-builder permit.
- (d) (Repealed)

**business day** means any day other than:

- (a) a Saturday, Sunday or public holiday, or
- (b) 27, 28, 29, 30 or 31 December.

**close associate**, of an applicant for, or holder of, a contractor licence or of an

applicant for the renewal or restoration of such a licence is defined in section 3AA.

**contract price** means the total amount payable under a contract to do work or to supply a kit home and includes:

- (a) the amount that the person contracting to do the work or to supply a kit home is to receive and retain under the contract, and
- (b) the amount that the person is to receive under the contract for payment to any other person, and
- (c) the amount any third person is to receive (or it is reasonably estimated will receive) directly from the person for whom the work is done or to whom the kit home is supplied in relation to the work done, or the kit home supplied, under the contract:
  - (i) for conveying to the building site or connecting or installing services such as gas, electricity, telephone, water and sewerage, or
  - (ii) for the issue of development or building consents.

**contractor licence** means a contractor licence referred to in section 4 or 5.

**Director-General** means:

- (a) the Commissioner for Fair Trading, Department of Commerce, or
- (b) if there is no such position in the Department—the Director-General of the Department.

**dwelling** means a building or portion of a building that is designed, constructed or adapted for use as a dwelling (such as a detached or semi-detached house, transportable house, terrace or town house, duplex, villa-home, strata or company title home unit or residential flat).

It includes any swimming pool or spa constructed for use in conjunction with a dwelling and such additional structures and improvements as are declared by the regulations to form part of a dwelling.

It does not include buildings or portions of buildings declared by the regulations to be excluded from this definition.

**electrical wiring work** has the same meaning as it has in the [Electricity \(Consumer Safety\) Act 2004](#).

**endorsed contractor licence** means a contractor licence endorsed under this Act to show that it is the equivalent of a supervisor certificate.

**gasfitting work** has the same meaning as it has in the [Gas Supply Act 1996](#).

**kit home** means a set of building components which, when offered for sale, is

represented as sufficient for the construction of a dwelling according to a plan or instructions furnished by the supplier of the set to the purchaser in connection with the sale.

It includes a set of building components which, when offered for sale, is represented as sufficient for the construction of a garage, carport or other structure prescribed by the regulations.

It does not include a set of components for the construction of a moveable dwelling (within the meaning of the [Local Government Act 1993](#)) that is not capable of being registered under the [Road Transport \(Vehicle Registration\) Act 1997](#).

It does not include a set of components for the construction of a dwelling, structure or improvement prescribed by the regulations.

**nominated supervisor** means an individual:

- (a) who holds an endorsed contractor licence or a supervisor certificate, and
- (b) who is for the time being registered in accordance with the regulations for the purpose of supervising the doing of residential building work or specialist work.

**non-contracting owner**, in relation to a contract to do residential building work on land, means an individual, partnership or corporation that is the owner of the land but is not a party to the contract and includes any successor in title to the owner.

**officer**, in relation to a corporation, has the same meaning as it has in the [Corporations Act 2001](#) of the Commonwealth.

**owner** of land means the only person who, or each person who jointly or severally, at law or in equity:

- (a) is entitled to the land for an estate of freehold in possession, or
- (b) is entitled to receive, or receives, or if the land were let to a tenant would be entitled to receive, the rents and profits of the land, whether as beneficial owner, trustee, mortgagee in possession or otherwise.

**owner-builder** means a person who does owner-builder work (within the meaning of Part 6) and who is issued an owner-builder permit for that work.

**owner-builder permit** means an owner-builder permit referred to in section 12 or 13.

**plumbing work** means any plumbing or drainage work that, because of a relevant law, can be done lawfully only:

- (a) by the holder of an endorsed contractor licence or of a supervisor or tradesperson certificate, and
- (b) if a relevant law so provides, by some other person.

**relevant law** means an Act or a statutory instrument that is declared by the regulations to be an Act or statutory instrument that regulates the specialist work concerned.

**residential building work** means any work involved in, or involved in co-ordinating or supervising any work involved in:

- (a) the construction of a dwelling, or
- (b) the making of alterations or additions to a dwelling, or
- (c) the repairing, renovation, decoration or protective treatment of a dwelling.

It includes work declared by the regulations to be roof plumbing work or specialist work done in connection with a dwelling and work concerned in installing a prescribed fixture or apparatus in a dwelling (or in adding to, altering or repairing any such installation).

It does not include work that is declared by the regulations to be excluded from this definition.

**Scheme Board** means the Home Warranty Insurance Scheme Board constituted under Part 6.

**Self Insurance Corporation** means the NSW Self Insurance Corporation constituted by the [NSW Self Insurance Corporation Act 2004](#).

**specialist work** means:

- (a) plumbing work (other than work declared by the regulations to be roof plumbing work), or
- (b) gasfitting work, or
- (c) electrical wiring work, or
- (d) any work declared by the regulations to be refrigeration work or air-conditioning work.

**statutory warranty** means a warranty established by Part 2C.

**supervisor certificate** means a supervisor certificate referred to in section 13, 14, 15 or 16.

**supply** means supply for consideration, but does not include supply for the purposes of resale.

**tradesperson certificate** means a tradesperson certificate referred to in section 13, 14, 15 or 16.



**Tribunal** means (except in Part 4A) the Consumer, Trader and Tenancy Tribunal established by the [Consumer, Trader and Tenancy Tribunal Act 2001](#).

- (1A) When an additional structure or improvement is declared, by a regulation made for the purposes of the definition of **dwelling** in subsection (1), to form part of a dwelling, any particular structure or improvement included in the declaration is to be regarded as a dwelling for the purposes of this Act, whether or not there exists any dwelling of which it could be taken to form part.
- (2) In this Act:
- (a) a reference to a function includes a reference to a power, authority and duty, and
  - (b) a reference to the exercise of a function includes, where the function is a duty, a reference to the performance of the duty.
- (3) In this Act, a reference to a contractor licence, a supervisor or tradesperson certificate or an owner-builder permit includes a reference to a renewed instrument of the same kind.
- (4) In this Act, a reference to conditions includes a reference to terms, restrictions and prohibitions.
- (5) Notes included in this Act are explanatory notes and do not form part of this Act.

### **3AA Meaning of “close associate” of applicant for, or holder of, licence**

- (1) For the purposes of this Act, a person is a **close associate** of an applicant for, or holder of, a contractor licence or of an applicant for the renewal or restoration of such a licence if the person:
- (a) is a partner of the applicant or holder, or
  - (b) is an employee or agent of the applicant or holder, or
  - (c) is a corporation, or a member of a corporation, partnership, syndicate or joint venture, in which the applicant or holder or a person referred to in paragraph (a), (b) or (d) has a beneficial interest, or
  - (d) bears a prescribed relationship to the applicant or holder, or
  - (e) is a corporation that is a subsidiary (within the meaning of the [Corporations Act 2001](#) of the Commonwealth) of the applicant or holder, or
  - (f) holds or is entitled to exercise, in respect of the applicant or holder or the business of the applicant or holder, any other relevant financial interest, relevant position or relevant power.
- (2) For the purposes of subsection (1) (d), a person bears a prescribed relationship to an

applicant or holder of a licence if the relationship is that of:

- (a) a spouse, or
- (b) an existing or former de facto partner, or
- (c) a child, grandchild, sibling, parent or grandparent, whether derived through paragraph (a) or (b) or otherwise, or
- (d) a kind prescribed by the regulations for the purposes of this section.

**Note—**

“De facto partner” is defined in section 21C of the [Interpretation Act 1987](#).

(3) For the purposes of subsection (1) (f):

**relevant financial interest** means:

- (a) any share in the capital of the business, or
- (b) any entitlement to receive any income derived from the business, whether the entitlement arises at law or in equity or otherwise.

**relevant position** means the position of director, manager, and other executive positions and secretary, however those positions are designated.

**relevant power** means any power, whether exercisable by voting or otherwise and whether exercisable alone or in association with others:

- (a) to participate in any directorial, managerial or executive decision, or
- (b) to elect or appoint any person to any relevant position.

(4) (Repealed)

### **3A Application of provisions to developers**

(1) For the purposes of this Act, an individual, a partnership or a corporation on whose behalf residential building work is done in the circumstances set out in subsection (2) is a developer who does the work.

(2) The circumstances are:

- (a) the residential building work is done in connection with an existing or proposed dwelling in a building or residential development where 4 or more of the existing or proposed dwellings are or will be owned by the individual, partnership or corporation, or
- (b) the residential building work is done in connection with an existing or proposed retirement village or accommodation specially designed for the disabled where all

of the residential units are or will be owned by the individual, partnership or corporation.

- (3) A company that owns a building under a company title scheme is not a developer for the purposes of this Act.

## **Part 2 Regulation of residential building work and specialist work**

### **Division 1 Contracting for work**

#### **4 Unlicensed contracting**

- (1) A person must not contract to do:

- (a) any residential building work, or
- (b) any specialist work,

except as or on behalf of an individual, partnership or corporation that is the holder of a contractor licence authorising its holder to contract to do that work.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) The holder of a contractor licence who has contracted to do any residential building work must not contract with another person for the other person to do the work (or any part of the work) for the holder unless the other person is the holder of a contractor licence to do work of that kind.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (3) The holder of a contractor licence must not contract with another person for the other person to do any work (or part of any work) for the holder for which insurance is required under this Act unless the other person is the holder of a contractor licence to do work of that kind.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (4) A developer must not contract with another person for the other person to do any residential building work on behalf of the developer in the circumstances set out in section 3A (2) unless the other person is the holder of a contractor licence authorising the other person to do work of that kind.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (5) A person is not guilty of an offence against subsection (2), (3) or (4) if the person

establishes that the person did all that could reasonably be required to prevent the contravention of the subsection.

## **5 Seeking work by or for unlicensed person**

(1) An individual, a member of a partnership, an officer of a corporation or a corporation must not represent that the individual, partnership or corporation is prepared to do:

- (a) any residential building work, or
- (b) any specialist work,

if the individual, partnership or corporation is not the holder of a contractor licence authorising its holder to contract to do that work.

(2) A person must not represent that an individual, partnership or corporation is prepared to do:

- (a) any residential building work, or
- (b) any specialist work,

if the person knows that the individual, partnership or corporation is not the holder of a contractor licence authorising its holder to contract to do that work.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

## **6 Application of requirements for contracts**

(1) Sections 7-7E apply to a contract under which the holder of a contractor licence undertakes:

- (a) to do, in person, or by others, any residential building work or any specialist work, or
- (b) to vary any such undertaking to do residential building work or any specialist work or the way in which any such work is to be done.

(2) However, sections 7, 7A and 7B do not apply to a contract to do residential building work or specialist work in such circumstances that:

- (a) if the work were not to be done promptly, there is likely to be a hazard to the health or safety of any person or to the public or to be damage to property, and
- (b) the work could not be done promptly if the requirements of sections 7, 7A and 7B were to be complied with before commencing the work.

(3) Section 7 (2) (f) and (5) do not apply to a contract referred to in subsection (1) (b).

## **7 Form of contracts**

- (1) A contract must be in writing and be dated and signed by or on behalf of each of the parties to it.
- (2) A contract must contain:
  - (a) the names of the parties, including the name of the holder of the contractor licence shown on the contractor licence, and
  - (b) the number of the contractor licence, and
  - (c) a sufficient description of the work to which the contract relates, and
  - (d) any plans and specifications for the work, and
  - (e) the contract price if known, and
  - (f) any statutory warranties applicable to the work, and
  - (g) in the case of a contract to do residential building work—a conspicuous statement setting out the cooling-off period that applies to the contract because of section 7BA.
- (3) The contract must comply with any requirements of the regulations.
- (4) If the contract price is known, it must be stated in a prominent position on the first page of the contract.
- (5) If the contract price is not known or may be varied under the contract, the contract must contain a warning to that effect and an explanation of the effect of the provision allowing variation of the price. The warning and explanation must be placed next to the price if the price is known.
- (6) A contract must not include in the contract the name of any person other than the holder of a contractor licence as, or so it may reasonably be mistaken to be, the holder's name.
- (7) This section does not prevent the holder of a contractor licence with a business name registered under the [Business Names Act 2002](#) from also referring in such a contract to the business name.

### **7AA Consumer information**

- (1) A holder of a contractor licence must, before entering into a contract that the holder is authorised by this Act to enter, give to the other party to the contract information, in a form approved by the Director-General, that explains the operation of this Act and the procedure for the resolution of disputes under the contract and for the resolution of disputes relating to insurance.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

(2) This section does not apply to contracts of a class prescribed by the regulations.

#### **7A Offence**

A person must not contract to do work under a contract unless the requirements of section 7 in relation to the contract are complied with.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in any other case.

#### **7B Copy of contract**

A holder of a contractor licence must, not later than 5 clear business days after entering into a contract, give the other party to the contract a signed copy of the contract in the form in which it was made.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in any other case.

#### **7BA Cooling-off period: person may rescind a contract for residential building work within 5 days without penalty**

- (1) A person who contracts with the holder of a contractor licence for residential building work to be done by the holder of the contractor licence may, by notice in writing, rescind the contract:
  - (a) in the case of a person who has been given a copy of the signed contract—at any time before the expiration of 5 clear business days after the person is given a copy of the contract, or
  - (b) in the case of a person who has not been given a copy of the signed contract within 5 days after the contract has been signed—at any time before the expiration of 5 clear business days after the person becomes aware that he or she is entitled to be given a copy of the signed contract.
- (2) The notice must state that the person rescinds the contract and must be given:
  - (a) to the holder of the contractor licence personally, or
  - (b) by leaving it at the address shown in the contract as the address of the holder of the contractor licence, or
  - (c) by serving it on the holder of the contractor licence in accordance with any notice or service provision in the contract.
- (3) If a notice is given in accordance with this section:

- (a) the contract is taken to be rescinded from the time it was signed, but subject to the rights and obligations conferred by this section, and
  - (b) the holder of the contractor licence may retain out of any money already paid to the holder the amount of any reasonable out-of-pocket expenses the holder incurred before the rescission, and
  - (c) the holder of the contractor licence must refund all other money paid to the holder under the contract by (or on behalf of) the party who rescinded the contract at or since the time the contract was made, and
  - (d) the party who rescinded the contract is not liable to the holder of the contractor licence in any way for rescinding the contract.
- (4) The cooling-off period may be shortened or avoided by a provision in the contract, but the provision does not take effect unless and until the other party to the contract gives the holder of the contractor licence (or the holder's Australian legal practitioner) a certificate that complies with subsection (5).
- (5) A certificate complies with this subsection if it:
- (a) is in writing, and
  - (b) is signed by an Australian legal practitioner, other than:
    - (i) an Australian legal practitioner acting for the holder of the contractor licence, or
    - (ii) any other Australian legal practitioner employed in the legal practice of an Australian legal practitioner acting for the holder of the contractor licence, or
    - (iii) any other Australian legal practitioner who is a member or employee of a firm in which an Australian legal practitioner acting for the holder of the contractor licence is a member or employee, and
  - (c) indicates the purpose for which the certificate is given, and
  - (d) contains a statement to the effect that the Australian legal practitioner explained to the other party to the contract the effect of the contract, the nature of the certificate and the effect of giving the certificate to the holder of the contractor licence.
- (6) A contract can be rescinded under this section even if work has been done under the contract at the time of rescission.
- (7) If a contract is rescinded under this section, the holder of the contractor licence is entitled to a reasonable price for the work carried out under the contract to the date the contract is rescinded.

(8) This section does not apply to a contract of a class specified in the regulations.

**7BB Person may rescind a residential building work contract if cooling-off warning not given**

- (1) This section applies to a contract for residential building work to which section 7BA applies.
- (2) If a contract does not contain a statement relating to the cooling-off period and a person's rights under section 7BA (as required by section 7 (2) (g)), a person (other than the holder of a contractor licence) may, by notice in writing, rescind the contract within 7 days of becoming aware that the contract should have contained such a notice.
- (3) The notice must state that the person rescinds the contract and must be given:
  - (a) to the holder of the contractor licence personally, or
  - (b) by leaving it at the address shown in the contract as the address of the holder of the contractor licence, or
  - (c) by serving it on the holder of the contractor licence in accordance with any notice or service provision in the contract.
- (4) The notice must be given in a form prescribed by the regulations, if any form is prescribed.
- (5) If a notice is given in accordance with this section the contract is taken to be rescinded from the time it was signed, but subject to the rights and obligations conferred by this section.
- (6) A contract can be rescinded under this section even if work has been done under the contract at the time of rescission.
- (7) If a contract is rescinded under this section, the holder of the contractor licence is entitled to a reasonable price for the work carried out under the contract to the date the contract is rescinded.
- (8) However, a holder of a contractor licence may not recover under subsection (7) more than the holder would have been entitled to recover under the contract.

**7C Arbitration clause prohibited**

A provision in a contract or other agreement that requires a dispute under the contract to be referred to arbitration is void.

**7D Interests in land under contract**

- (1) A contract does not give the holder of a contractor licence or any other person a legal



or equitable estate or interest in any land, and a provision in a contract or other agreement is void to the extent that it purports to create such an estate or interest.

- (2) Accordingly, the holder of a contractor licence or any other person may not lodge a caveat under the *Real Property Act 1900* in respect of an estate or interest prohibited by subsection (1).
- (3) However, subsection (1) does not apply to a provision in a contract that creates a charge over land if:
  - (a) the land the subject of the charge is land on which the contract work is, or is to be, carried out, and
  - (b) the charge is in favour of the holder of a contractor licence who is a party to the contract, and
  - (c) the charge is created to secure the payment to the holder of the contractor licence by another party to the contract of money due under the contract, but only if a court or tribunal has made an order or judgment that such payment be made, and
  - (d) in the case of a charge over land under the *Real Property Act 1900*—the party to the contract against whom the judgment or order is made is the registered proprietor of the land.
- (4) A charge referred to in subsection (3) over land under the *Real Property Act 1900* ceases to operate if the party to the contract against whom the judgment or order is made ceases to be the registered proprietor of the land so charged.

#### **7E Regulations concerning contracts**

- (1) The regulations may make provision for or with respect to:
  - (a) clauses or matter that must be included in a contract or a class of contracts, or
  - (b) clauses or matter that must not be included in a contract or a class of contracts.
- (2) If the regulations require a contract or class of contracts to contain a clause in prescribed terms, a contract of the kind to which the prescription relates is taken to include the clause in the terms prescribed. A contract that contains a term that is inconsistent with any such clause is unenforceable to the extent of the inconsistency.
- (3) If the regulations provide that any matter must not be included in a contract or a class of contracts any contract that contains that matter is unenforceable to the extent that it includes or applies to that matter.
- (4) Any regulations made under this section do not apply to a contract in force at the time that the regulations commence.
- (5) This section does not limit section 7 (3).

## 8 Maximum deposits

(1) A person must not:

- (a) demand or receive a payment on account before work is commenced under a contract to do residential building work, or
- (b) enter into a contract under which the person is entitled to demand or receive a payment on account before residential building work is commenced,

if the amount of the payment is prohibited by this section.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(2) The amount of the payment is prohibited if:

- (a) the contract price is more than \$20,000 and the payment is more than 5% of the contract price (or, where another percentage is prescribed by the regulations in respect of a particular kind of work, the percentage so prescribed), or
- (b) the contract price is \$20,000 or less and the payment is more than 10% of the contract price (or, where another percentage is prescribed by the regulations in respect of a particular kind of work, the percentage so prescribed).

(3) The regulations may make provision concerning how a contract price is to be determined for the purposes of this section.

## 9 Exhibition homes

(1) In this section, **exhibition home** means a dwelling made available for inspection to persons who are invited, expressly or impliedly, to enter into a contract for the construction of a similar dwelling.

(2) A person who makes an exhibition home available for inspection or who advertises that an exhibition home is so available is guilty of an offence if, at any time it is available for inspection, there is not prominently displayed at the home:

- (a) a copy of the plans and specifications relating to its construction, and
- (b) if the person is aware that persons are to be invited to enter into building contracts for the construction of similar dwellings by use of a standard form of building contract, a copy of that form of contract.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in any other case.

(3) If:

- (a) a contract is entered into with the holder of a contractor licence for the

construction of a dwelling that is similar to an exhibition home, and

- (b) the holder knows that it was entered into after the other party to the contract had inspected the home, and
- (c) the contract in any way identifies the dwelling to be built by reference to the home,

the contract is to be taken to contain a provision that the dwelling will be constructed according to the same plans and specifications, standards of workmanship and quality of materials as the exhibition home, except to the extent (if any) that the contract and its accompanying plans and specifications provide for any departure from them.

## **10 Enforceability of contracts and other rights**

- (1) A person who contracts to do any residential building work, or any specialist work, and who so contracts:
  - (a) in contravention of section 4 (Unlicensed contracting), or
  - (b) under a contract to which the requirements of section 7 apply that is not in writing or that does not have sufficient description of the work to which it relates (not being a contract entered into in the circumstances described in section 6 (2)), or
  - (c) in contravention of any other provision of this Act or the regulations that is prescribed for the purposes of this paragraph,

is not entitled to damages or to enforce any other remedy in respect of a breach of the contract committed by any other party to the contract, and the contract is unenforceable by the person who contracted to do the work. However, the person is liable for damages and subject to any other remedy in respect of a breach of the contract committed by the person.

(2), (3) (Repealed)

- (4) This section does not affect the liability of the person for an offence against a provision of or made under this or any other Act.

## **11 Other rights not affected**

This Division does not affect any right or remedy that a person (other than the person who contracts to do the work) may have apart from this Act.

## **Division 2 Restrictions on who may do certain work**

### **12 Unlicensed work**

An individual must not do any residential building work, or specialist work, except:

- (a) as, or as a member of a partnership or an officer of a corporation that is, the holder of a contractor licence authorising its holder to contract to do that work, or
- (b) as the holder of an owner-builder permit authorising its holder to do that work, or
- (c) as an employee of the holder of such a contractor licence or permit.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

### **13 Unqualified residential building work**

(1) An individual must not do any residential building work, except:

- (a) as the holder of an endorsed contractor licence, a supervisor or tradesperson certificate or an owner-builder permit, authorising its holder to do that work, or
- (b) under the supervision, and subject to the direction, of the holder of an endorsed contractor licence or supervisor certificate authorising its holder to supervise that work.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(2) If the same facts establish an offence under this section and an offence under another provision of this Act or under any other Act or law, an individual is not liable to be convicted of both offences.

### **14 Unqualified electrical wiring work**

(1) An individual must not do any electrical wiring work (whether or not it is also residential building work), except:

- (a) as a qualified supervisor (being the holder of an endorsed contractor licence, or a supervisor certificate, authorising its holder to do that work), or
- (b) as the holder of a tradesperson certificate authorising its holder to do that work under supervision, but only if the work is done under the supervision and in accordance with the directions, if any, of such a qualified supervisor.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(2) Despite subsection (1), an individual may do electrical wiring work even though the individual is not such a qualified supervisor or holder, but only if such a qualified supervisor:

- (a) is present at all times where the work is being done by the individual, and

(b) is available to be consulted by, and to give directions relating to how the work is to be done to, the individual.

(3) A qualified supervisor who is supervising any electrical wiring work being done by an individual as referred to in subsection (1) (b) must:

(a) give directions that are adequate to enable the work to be done correctly by the individual performing it, and

(b) personally ensure that the work is correctly done.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(4) A qualified supervisor who is supervising any electrical wiring work being done by an individual as referred to in subsection (2) must:

(a) give directions that are adequate to enable the work to be done correctly by the individual performing it (which, unless the qualified supervisor considers it unnecessary, must include directions requiring the individual to advise in detail on progress with the work), and

(b) be present when the work is being done and be available to be consulted by, and to give directions relating to how the work is to be done to, the individual, and

(c) personally ensure that the work is correctly done.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(5) This section applies to an individual acting in the course of his or her employment by the Crown.

### **15 Unqualified refrigeration or air-conditioning work**

An individual must not do any work declared by the regulations to be refrigeration work or air-conditioning work (whether or not it is also residential building work), except:

(a) as the holder of an endorsed contractor licence, or of a supervisor or tradesperson certificate, authorising its holder to do that work, or

(b) under the immediate supervision of the holder of such an endorsed contractor licence or supervisor certificate.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

## **16 Obligations of holders of contractor licences**

The holder of a contractor licence must ensure that, when residential building work, or specialist work, for which the contractor licence authorises the holder to contract is being done by or on behalf of the holder, the work is done:

- (a) by the holder of an endorsed contractor licence, or of a supervisor or tradesperson certificate, authorising its holder to do the work, or
- (b) under the supervision, and subject to the direction, of the holder of such an endorsed contractor licence or supervisor certificate, but only if the work is done so as not to contravene a requirement made by or under this or any other Act.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

## **Part 2A Regulation of supply of kit homes**

### **16A, 16B (Repealed)**

### **16C Application of requirements for contracts**

- (1) Sections 16D-16DE apply to a contract under which a person (a ***kit home supplier***) undertakes:
  - (a) to supply, in person, or by others, a kit home, or
  - (b) to vary any such undertaking previously made.
- (2) Section 16D (5) does not apply to a contract referred to in subsection (1) (b).

### **16D Form of contracts for kit homes**

- (1) A contract must be in writing and be dated and signed by or on behalf of each of the parties to it.
- (2) A contract must contain:
  - (a) the names of the parties, and
  - (b) (Repealed)
  - (c) a sufficient description of the kit home to which the contract relates, and
  - (d) any plans and specifications for the kit home, and
  - (e) the contract price if known, and
  - (f) a conspicuous statement setting out the cooling-off period that applies to the contract because of section 16DBA.

- (3) The contract must comply with any requirements of the regulations.
- (4) If the contract price is known, it must be stated in a prominent position on the first page of the contract.
- (5) If the contract price is not known or may be varied under the contract, the contract must contain a warning to that effect and an explanation of the effect of the provision allowing variation of the price. The warning and explanation must be placed next to the price if the price is known.
- (6), (7) (Repealed)

#### **16DAA Consumer information**

- (1) A kit home supplier must, before entering into a contract, give the other party to the contract information, in a form approved by the Director-General, that explains the operation of this Act and the procedure for the resolution of disputes under the contract and for the resolution of disputes relating to insurance.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (2) This section does not apply to contracts of a class prescribed by the regulations.

#### **16DA Offence**

A person must not contract to supply a kit home under a contract unless the requirements of section 16D in relation to the contract are complied with.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in any other case.

#### **16DB Copy of contract**

A kit home supplier must, not later than 5 clear business days after entering into a contract, give the other party to the contract a signed copy of the contract in the form in which it was made.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in any other case.

#### **16DBA Cooling-off period: person may rescind kit home contract within 5 days without penalty**

- (1) A person who contracts with a kit home supplier may, by notice in writing, rescind the contract:
  - (a) in the case of a person who has been given a copy of the signed contract—at any time before the expiration of 5 clear business days after the person is given a copy of the contract, or

- (b) in the case of a person who has not been given a copy of the signed contract within 5 days after the contract has been signed—at any time before the expiration of 5 clear business days after the person becomes aware that he or she is entitled to be given a copy of the signed contract.
- (2) The notice must state that the person rescinds the contract and must be given:
- (a) to the kit home supplier personally, or
  - (b) by leaving it at the address shown in the contract as the address of the kit home supplier, or
  - (c) by serving it on the kit home supplier in accordance with any notice or service provision in the contract.
- (3) If a notice is given in accordance with this section:
- (a) the contract is taken to be rescinded from the time it was signed, but subject to the rights and obligations conferred by this section, and
  - (b) the kit home supplier may retain out of any money already paid to the kit home supplier under the contract the amount of any reasonable out-of-pocket expenses the kit home supplier incurred before the rescission, and
  - (c) the kit home supplier must refund all other money paid to the kit home supplier under the contract by (or on behalf of) the party who has rescinded the contract at or since the time the contract was made, and
  - (d) the party who rescinded the contract is not liable to the kit home supplier in any way for rescinding the contract.
- (4) The cooling-off period may be shortened or avoided by a provision in the contract, but the provision does not take effect unless and until the other party to the contract gives the kit home supplier (or the kit home supplier's Australian legal practitioner) a certificate that complies with subsection (5).
- (5) A certificate complies with this subsection if it:
- (a) is in writing, and
  - (b) is signed by an Australian legal practitioner, other than:
    - (i) an Australian legal practitioner acting for the kit home supplier, or
    - (ii) any other Australian legal practitioner employed in the legal practice of an Australian legal practitioner acting for the kit home supplier, or
    - (iii) any other Australian legal practitioner who is a member or employee of a firm in which an Australian legal practitioner acting for the kit home supplier is a



member or employee, and

(c) indicates the purpose for which the certificate is given, and

(d) contains a statement to the effect that the Australian legal practitioner explained to the other party to the contract the effect of the contract, the nature of the certificate and the effect of giving the certificate to the kit home supplier.

(6) A contract can be rescinded under this section even if work has been done under the contract at the time of rescission.

(7) If a contract is rescinded under this section, the kit home supplier is entitled to a reasonable price for the work carried out under the contract to the date the contract is rescinded.

(8) This section does not apply to a contract of a class specified in the regulations.

**16DBB Person may rescind kit home contract if cooling-off warning not given**

(1) This section applies to a contract for the supply of a kit home to which section 16DBA applies.

(2) If a contract does not contain a statement relating to the cooling-off period and a person's rights under section 16DBA (as required by section 16D (2) (f)), a person (other than the kit home supplier) may, by notice in writing, rescind the contract within 7 days of becoming aware that the contract should have contained such a notice.

(3) The notice must state that the person rescinds the contract and must be given:

(a) to the kit home supplier personally, or

(b) by leaving it at the address shown in the contract as the address of the kit home supplier, or

(c) by serving it on the kit home supplier in accordance with any notice or service provision in the contract.

(4) The notice must be given in a form prescribed by the regulations, if any form is prescribed.

(5) If a notice is given in accordance with this section the contract is taken to be rescinded from the time it was signed, but subject to the rights and obligations conferred by this section.

(6) A contract can be rescinded under this section even if work has been done under the contract at the time of rescission.

(7) If a contract is rescinded under this section, the kit home supplier is entitled to a

reasonable price for anything done under the contract to the date the contract is rescinded.

- (8) However, a kit home supplier may not recover under subsection (7) more than the kit home supplier would have been entitled to recover under the contract.

#### **16DC Arbitration clause prohibited**

A provision in a contract or other agreement that requires a dispute under the contract to be referred to arbitration is void.

#### **16DD Interests in land under contract**

- (1) A contract does not give the kit home supplier or any other person a legal or equitable estate or interest in any land, and a provision in a contract or other agreement is void to the extent that it purports to create such an estate or interest.
- (2) Accordingly, the kit home supplier or any other person may not lodge a caveat under the *Real Property Act 1900* in respect of an estate or interest prohibited by subsection (1).
- (3) However, subsection (1) does not apply to a provision in a contract that creates a charge over land if:
- (a) the land the subject of the charge is land on which the kit home is, or is to be, erected, and
  - (b) the charge is in favour of the kit home supplier who is a party to the contract, and
  - (c) the charge is created to secure the payment to the kit home supplier by another party to the contract of money due under the contract, but only if a court or tribunal has made an order or judgment that such payment be made, and
  - (d) in the case of a charge over land under the *Real Property Act 1900*—the party to the contract against whom the judgment or order is made is the registered proprietor of the land.
- (4) A charge referred to in subsection (3) over land under the *Real Property Act 1900* ceases to operate if the party to the contract against whom the judgment or order is made ceases to be the registered proprietor of the land so charged.

#### **16DE Regulations concerning contracts**

- (1) The regulations may make provision for or with respect to:
- (a) clauses or matter that must be included in a contract or a class of contracts, or
  - (b) clauses or matter that must not be included in a contract or a class of contracts.

- (2) If the regulations require a contract or class of contracts to contain a clause in prescribed terms, a contract of the kind to which the prescription relates is taken to include the clause in the terms prescribed. A contract with a term that is inconsistent with any such clause is unenforceable to the extent of the inconsistency.
- (3) If the regulations provide that any matter must not be included in a contract, or a class of contracts, any contract that contains that matter is unenforceable to the extent that it includes or applies to that matter.
- (4) Any regulations made under this section do not apply to a contract in force at the time that the regulations commence.
- (5) This section does not limit section 16D (3).

#### **16E Maximum deposits**

- (1) A person must not:
  - (a) demand or receive a payment on account before delivery of part of the kit home is made under a contract to supply a kit home, or
  - (b) enter into a contract under which the person is entitled to demand or receive a payment on account before delivery of part of the kit home is made,if the amount of the payment is prohibited by this section.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) The amount of the payment is prohibited if:
  - (a) the contract price is more than \$20,000 and the payment is more than 5% of the contract price (or, where another percentage is prescribed by the regulations in respect of a particular kind of kit home, the percentage so prescribed), or
  - (b) the contract price is \$20,000 or less and the payment is more than 10% of the contract price (or, where another percentage is prescribed by the regulations in respect of a particular kind of kit home, the percentage so prescribed).
- (3) The regulations may make provision concerning how a contract price is to be determined for the purposes of this section.

#### **16F Exhibition homes**

- (1) In this section, **exhibition home** means a dwelling made available for inspection to persons who are invited, expressly or impliedly, to enter into a contract for the supply of a kit home designed to enable the construction of a similar dwelling.
- (2) A person who makes an exhibition home available for inspection or who advertises

that an exhibition home is so available is guilty of an offence if, at any time it is available for inspection, there is not prominently displayed at the home:

- (a) a copy of the plans and specifications relating to its construction, and
- (b) if the person is aware that persons are to be invited to enter into contracts of the kind referred to in subsection (1) by use of a standard form of contract, a copy of that form of contract.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in any other case.

(3) If:

- (a) a contract is entered into with a kit home supplier for the supply of a kit home designed to enable the construction of a dwelling that is similar to an exhibition home, and
- (b) the kit home supplier knows that it was entered into after the other party to the contract had inspected the home, and
- (c) the contract in any way identifies the kit home to be supplied under the contract by reference to the home,

the contract is to be taken to contain a provision that the kit home so supplied will conform to the same plans and quality of materials as the exhibition home, except to the extent (if any) that the contract and its accompanying plans provide for any departure from them.

### **16G Enforceability of contracts**

(1) A person who contracts to supply a kit home:

- (a) under a contract to which the requirements of section 16D apply that is not in writing or that does not have sufficient description of the kit home to which it relates, or
- (b) in contravention of any other provision of this Act or the regulations that is prescribed for the purposes of this paragraph,

is not entitled to damages or to enforce any other remedy in respect of a breach of the contract committed by any other party to the contract, and the contract is unenforceable by the person who contracted to supply the kit home. However, the person is liable for damages and subject to any other remedy in respect of a breach of the contract committed by the person.

(2) This section does not affect the liability of the person for an offence against a provision of or made under this or any other Act.

## **16H Application of this Part**

- (1) This Part does not affect any right or remedy that a person (other than the person who contracts to supply the kit home) may have apart from this Act.
- (2) This Part does not apply to:
  - (a) a contract entered into, before the commencement of this Part, for the supply of a kit home, or
  - (b) the supply of a kit home pursuant to such a contract.

## **Part 2B Representations concerning contractor licences or certificates**

### **17 Misrepresentations about contractor licences or certificates**

- (1) A person must not represent that an individual, a partnership or a corporation:
  - (a) is the holder of a contractor licence, knowing that the individual, partnership or corporation is not the holder of a contractor licence, or
  - (b) is the holder of a contractor licence authorising its holder to contract to do residential building work, or specialist work, knowing that the individual, partnership or corporation is not the holder of an appropriate contractor licence.
  - (c) (Repealed)

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) A person must not represent that the person or any other person:
  - (a) is the holder of a supervisor or tradesperson certificate, knowing that the person or other person is not the holder of a certificate of the kind concerned, or
  - (b) is the holder of a supervisor or tradesperson certificate authorising its holder to do residential building work, or specialist work, knowing that the person or other person is not the holder of an appropriate certificate.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (3) For the purposes of this section, a contractor licence or certificate is appropriate only if it authorises its holder to contract to do, or authorises its holder to do, the work that is the subject of the representation.

### **18 Representations, generally**

- (1) It makes no difference whether a representation referred to in this Part:

- (a) is express or implied, or
  - (b) relates to a non-existent individual, partnership or corporation, or
  - (c) is made by the individual, a member or employee of the partnership or an officer or employee of the corporation concerned.
- (2) For the purposes of this Part, a representation concerning a business name used by, or registered under the *Business Names Act 2002* to, an individual, a partnership or a corporation is to be taken to be a representation concerning the individual, partnership or corporation.
- (3) This Part applies not only to representations made to identifiable persons but also to those made by way of advertisement where the persons to whom the representations are made may or may not be identifiable.

## **Part 2C Statutory warranties**

### **18A Time from when Part applies**

This Part applies to residential building work only to the extent that it is done or to be done under a contract made on or after the commencement of this section.

### **18B Warranties as to residential building work**

The following warranties by the holder of a contractor licence, or a person required to hold a contractor licence before entering into a contract, are implied in every contract to do residential building work:

- (a) a warranty that the work will be performed in a proper and workmanlike manner and in accordance with the plans and specifications set out in the contract,
- (b) a warranty that all materials supplied by the holder or person will be good and suitable for the purpose for which they are used and that, unless otherwise stated in the contract, those materials will be new,
- (c) a warranty that the work will be done in accordance with, and will comply with, this or any other law,
- (d) a warranty that the work will be done with due diligence and within the time stipulated in the contract, or if no time is stipulated, within a reasonable time,
- (e) a warranty that, if the work consists of the construction of a dwelling, the making of alterations or additions to a dwelling or the repairing, renovation, decoration or protective treatment of a dwelling, the work will result, to the extent of the work conducted, in a dwelling that is reasonably fit for occupation as a dwelling,
- (f) a warranty that the work and any materials used in doing the work will be reasonably

fit for the specified purpose or result, if the person for whom the work is done expressly makes known to the holder of the contractor licence or person required to hold a contractor licence, or another person with express or apparent authority to enter into or vary contractual arrangements on behalf of the holder or person, the particular purpose for which the work is required or the result that the owner desires the work to achieve, so as to show that the owner relies on the holder's or person's skill and judgment.

### **18C Warranties as to work by others**

A person who is the immediate successor in title to an owner-builder, a holder of a contractor licence, a former holder or a developer who has done residential building work on land is entitled to the benefit of the statutory warranties as if the owner-builder, holder, former holder or developer were required to hold a contractor licence and had done the work under a contract with that successor in title to do the work.

### **18D Extension of statutory warranties**

- (1) A person who is a successor in title to a person entitled to the benefit of a statutory warranty under this Act is entitled to the same rights as the person's predecessor in title in respect of the statutory warranty.
- (1A) A person who is a non-contracting owner in relation to a contract to do residential building work on land is entitled (and is taken to have always been entitled) to the same rights as those that a party to the contract has in respect of a statutory warranty.
- (1B) Subject to the regulations, a party to a contract has no right to enforce a statutory warranty in proceedings in relation to a deficiency in work or materials if the warranty has already been enforced in relation to that particular deficiency by a non-contracting owner.
- (2) This section does not give a successor in title or non-contracting owner of land any right to enforce a statutory warranty in proceedings in relation to a deficiency in work or materials if the warranty has already been enforced in relation to that particular deficiency, except as provided by the regulations.

### **18E Proceedings for breach of warranties**

- (1) Proceedings for a breach of a statutory warranty must be commenced within 7 years after:
  - (a) the completion of the work to which it relates, or
  - (b) if the work is not completed:
    - (i) the date for completion of the work specified or determined in accordance with the contract, or

(ii) if there is no such date, the date of the contract.

(2) The fact that a person entitled to the benefit of a statutory warranty specified in paragraph (a), (b), (c), (e) or (f) of section 18B has enforced the warranty in relation to a particular deficiency in the work does not prevent the person from enforcing the same warranty for a deficiency of a different kind in the work (**the other deficiency**) if:

(a) the other deficiency was in existence when the work to which the warranty relates was completed, and

(b) the person did not know, and could not reasonably be expected to have known, of the existence of the other deficiency when the warranty was previously enforced, and

(c) the proceedings to enforce the warranty in relation to the other deficiency are brought within the period referred to in subsection (1).

#### **18F Defence**

In proceedings for a breach of a statutory warranty, it is a defence for the defendant to prove that the deficiencies of which the plaintiff complains arise from instructions given by the person for whom the work was done contrary to the advice in writing of the defendant or person who did the work.

#### **18G Warranties may not be excluded**

A provision of an agreement or other instrument that purports to restrict or remove the rights of a person in respect of any statutory warranty is void.

### **Part 2D**

#### **18H-18V (Repealed)**

### **Part 3 Licences and certificates**

#### **Division 1 Contractor licences**

##### **19 Application to contractor licences of [Licensing and Registration \(Uniform Procedures\) Act 2002](#)**

(1) The Director-General may grant contractor licences for the purposes of this Act.

(2) Part 2 of the [Licensing and Registration \(Uniform Procedures\) Act 2002](#) (**the applied Act**) applies to and in respect of a contractor licence, subject to the modifications and limitations prescribed by or under this Act.

(3) For the purpose of applying Part 2 of the applied Act to a contractor licence:



- (a) the licence may be amended under that Act, and
  - (b) the references to 2 weeks, 4 weeks and 8 weeks in section 9 (1) (a), (b) and (c) of that Act are each to be read as references to 6 weeks, and
  - (c) an application for restoration of a licence under section 10 of that Act may not be made more than 3 months after the date on which the licence expires, and
  - (d) the reference to 14 days in section 24 (1) of that Act (as to the period within which changed particulars must be notified) is to be read as a reference to 7 days.
- (4) Subject to this section, the regulations may make provision for or with respect to such matters concerning a contractor licence as are relevant to the operation of Part 2 of the applied Act.

## **20 Issue of contractor licences**

- (1) The Director-General must reject an application for a contractor licence if:
- (a) the Director-General is not satisfied that the applicant is a fit and proper person to hold a contractor licence, or
  - (b) the applicant is a mentally incapacitated person, or
  - (c) the applicant is disqualified by this Act or the regulations from holding a contractor licence.

### **Note—**

Under section 6 of the applied Act (within the meaning of section 19) an application for the grant of a contractor licence may be made by any individual aged 18 years or more, by any partnership or other association whose members are all individuals aged 18 years or more or by any corporation.

- (1A) Without limiting subsection (1) (a), in determining whether an applicant is a fit and proper person to hold a licence the Director-General is to consider whether the applicant is of good repute, having regard to character, honesty and integrity.
- (2) The regulations may fix or provide for the Director-General to determine additional standards or other requirements that must be met before any contractor licence is issued or before a contractor licence of a particular kind is issued.
- (3) The Director-General must reject an application for a contractor licence if:
- (a) the Director-General is not satisfied that any such requirement would be met were the contractor licence to be issued, or
  - (b) the Director-General is not satisfied with the applicant's proposed arrangements for supervision of the work which the contractor licence will authorise the applicant to contract to do, or

- (c) the Director-General is not satisfied that the applicant has complied or is able to comply with any requirements of Part 6 or any requirements of the regulations relating to insurance applicable to the doing of work of a kind proposed to be authorised by the contractor licence.
- (4) (Repealed)
- (5) A decision of the Director-General relating to determining standards or other requirements under subsection (2) cannot be reviewed by the Administrative Decisions Tribunal in an application for review made under this or any other Act.
- (6) Without limiting this section, the Director-General may reject an application for a contractor licence if the Director-General is of the opinion that it is in the public interest to do so on any of the following grounds:
  - (a) an employee or proposed employee of the applicant is disqualified from holding a contractor licence, has had an application for an authority rejected on a ground relating to his or her character, honesty or integrity or has had an authority cancelled or suspended on any disciplinary ground,
  - (b) there are reasonable grounds to believe that the application has been made with the intention of avoiding disclosure of any relevant past misconduct of the applicant or a close associate of the applicant,
  - (c) the Director-General considers that a close associate of the applicant who would not be a fit and proper person to hold a contractor licence exercises a significant influence over the applicant or the operation and management of the applicant's business.

## **21 Authority conferred by contractor licences**

- (1) A contractor licence authorises its holder to contract to do the following:
  - (a) to do any residential building work that is described in the contractor licence when it is issued (being work of a category or categories prescribed by the regulations),
  - (b) to do any specialist work that is described in the contractor licence when it is issued (being work of a category or categories prescribed by the regulations).
  - (c) (Repealed)
- (1A) A contractor licence that authorises its holder to contract to do residential building work authorises the holder to supply such building components as are necessary for any such work done by the holder.
- (2) The authority conferred by a contractor licence:
  - (a) is subject to the conditions applicable to the contractor licence for the time being,

and

- (b) may, on the application of the holder of the contractor licence, be varied by an order of the Director-General set out in a notice served on the holder of the contractor licence.

## **22 Cancellation of contractor licences**

- (1) The Director-General must, subject to the regulations, cancel a contractor licence that authorises its holder to contract to do residential building work or specialist work, or both (whether or not it also authorises the holder to contract to supply kit homes for construction by another person) if:
  - (a) a period of 30 days (or any longer period that has been agreed on between the holder of the contractor licence and the Director-General) expires during which there has not been a nominated supervisor for the contractor licence, or
  - (b) the holder of the contractor licence is a partnership and (without the prior approval of the Director-General given for the purposes of this section) there is any change in its membership (otherwise than because of death), or
  - (c) the holder of the contractor licence or, in the case of a holder that is a partnership, any partner of that holder, becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her remuneration for their benefit, or
  - (d) the holder of the contractor licence is a corporation and it has become the subject of a winding up order under the *Corporations Act 2001* of the Commonwealth or has been voluntarily wound up, or
  - (e) the holder of the contractor licence is a corporation and it has been deregistered under Chapter 5A of the *Corporations Act 2001* of the Commonwealth, or
  - (f) the holder of the contractor licence or, in the case of a holder that is a partnership, any partner of that holder, is convicted more than once in any period of 12 months of an offence under Part 6 (whether or not the offences are of the same or a different kind), or
  - (g) the holder of the contractor licence fails to maintain professional indemnity insurance or a similar form of insurance taken out by the holder of the contractor licence for the period required under Part 6, or
  - (h) the holder of the contractor licence becomes a mentally incapacitated person, or
  - (i) the holder of the contractor licence becomes disqualified by this Act or the regulations from holding a contractor licence.
- (2) (Repealed)

- (3) The Director-General may, by notice in writing served on the holder of a contractor licence, inform the holder that the licence has been cancelled under this section. That written notice must also set out the reasons for the cancellation.
- (4) The cancellation takes effect on the date specified in the notice, which must be on or after the date on which the notice is served.

**Note—**

Section 44 makes provision for the return of a cancelled authority (including a contractor licence).

**22A Suspension of contractor licences—failure to insure**

- (1) If the Director-General is of the opinion that the holder of a contractor licence has not complied or is unable to comply with any requirements of Part 6 or any requirements of the regulations relating to insurance applicable to the doing of work of a kind authorised by the contractor licence, the Director-General may, by notice in writing served on the holder of the contractor licence, inform the holder that the contractor licence will be suspended unless the holder complies with subsection (2) within the period specified in the notice.
- (2) The holder of the contractor licence must provide such documentation or information as the Director-General requires in order to satisfy the Director-General that the holder has complied or is able to comply with any requirements of Part 6 and any requirements of the regulations relating to insurance applicable to the doing of work of a kind authorised by the contractor licence.
- (3) The Director-General may, by notice in writing served on the holder of the contractor licence, suspend the contractor licence from a date specified for that purpose in the notice if the documentation or information referred to in subsection (2) has not been provided within the period specified in the notice under subsection (1).
- (4) Within 7 days after a contractor licence is so suspended, the holder of the contractor licence must:
  - (a) lodge the suspended contractor licence at an office of the Department of Fair Trading, or
  - (b) if unable to lodge the suspended contractor licence, lodge at an office of the Department of Fair Trading a statement signed by the holder and providing accurate and complete details of why the contractor licence cannot be lodged.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (5) If the holder of the suspended contractor licence provides the documentation or information referred to in subsection (2), the Director-General must, as soon as practicable, revoke the suspension by notice in writing, unless the contractor licence

has expired.

- (6) The revocation takes effect on a day specified for that purpose in the notice.
- (7) On the revocation of the suspension of a contractor licence under this section, the Director-General must return the contractor licence (if it has not expired) to its holder.

## **22B Suspension of contractor licences—appointment of controller or administrator**

- (1) This section applies if the holder of a contractor licence is a corporation and a controller or administrator of the corporation is appointed under Part 5.2 or 5.3A of the *Corporations Act 2001* of the Commonwealth.
- (2) If the Director-General is of the opinion that there is a risk to the public that the licensee will be unable to complete building contracts (whether an existing contract or a contract entered into in the future), the Director-General may, by notice in writing served on the holder of the contractor licence, inform the holder that the contractor licence will be suspended unless the holder complies with subsection (3) within the period specified in the notice.
- (3) The holder of the contractor licence must provide any documentation or information that the Director-General requires in order to satisfy the Director-General that there is no such risk to the public.
- (4) The Director-General may, by notice in writing served on the holder of the contractor licence, suspend the contractor licence from a date specified for that purpose in the notice if the documentation or information referred to in subsection (3) has not been provided within the period specified in the notice under subsection (2).
- (5) Within 7 days after a contractor licence is so suspended, the holder of the contractor licence must:
  - (a) lodge the suspended contractor licence at an office of the Department of Fair Trading, or
  - (b) if unable to lodge the suspended contractor licence, lodge at an office of the Department of Fair Trading a statement signed by the holder and providing accurate and complete details of why the contractor licence cannot be lodged.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (6) If the holder of the suspended contractor licence provides the documentation or information referred to in subsection (3), the Director-General must, as soon as practicable, revoke the suspension by notice in writing, unless the contractor licence has expired.
- (7) The revocation takes effect on a day specified for that purpose in the notice.

- (8) On the revocation of the suspension of a contractor licence under this section, the Director-General must return any contractor licence that has been lodged (if it has not expired) to its holder.

**Note—**

Section 61A makes provision for the suspension of a contractor licence by the Director-General. Section 64A of the *Fair Trading Act 1987* also makes provision for the suspension of licences and other authorities.

### **23 Warning notices**

- (1) The Director-General may authorise publication of a notice warning persons of particular risks involved in dealing with a specified holder of a contractor licence, or a person who does not hold a contractor licence, in connection with residential building work or specialist work.
- (2) For example, a warning may relate to the risks involved in dealing with a person who has a recent history of unreasonable delays in completing work, or of inadequately supervised work or of defective work, of failing to comply with orders of the Tribunal, or of failing to insure work in accordance with this Act.
- (3) The Director-General may authorise publication of such a notice in any one or more of the following ways:
- (a) to any person making inquiries to the Director-General about the holder concerned,
  - (b) by advertisement by the use of any medium,
  - (c) to any media representatives.
- (4) Publication of such a notice may not be authorised unless an investigation has been conducted by the Director-General, whether or not a complaint has been made.
- (5) Before authorising publication of such a notice, the Director-General must give the person concerned an opportunity for a period of not less than 48 hours to make representations to the Director-General about publication of such a notice, unless:
- (a) the Director-General is not able, after making reasonable efforts to do so, to contact the person promptly and advise the person of that opportunity, or
  - (b) the person refuses to make any representations.
- (5A) However, no opportunity to make representations is required to be given if, in the opinion of the Director-General, there is an immediate risk to the public.
- (6) No liability is incurred by a person for publishing in good faith:
- (a) a notice under this section, or

- (b) a fair report or summary of such a notice.

## **Division 2 Supervision and tradesperson certificates**

### **24 Application to tradesperson and supervisor certificates of *Licensing and Registration (Uniform Procedures) Act 2002***

- (1) The Director-General may grant the following certificates for the purposes of this Act:
  - (a) tradesperson certificates,
  - (b) supervisor certificates.
- (2) Part 2 of the *Licensing and Registration (Uniform Procedures) Act 2002* (**the applied Act**) applies to and in respect of a tradesperson certificate or supervisor certificate, subject to the modifications and limitations prescribed by or under this Act.
- (3) For the purpose of applying Part 2 of the applied Act to a tradesperson certificate or supervisor certificate:
  - (a) the certificate may be amended under that Act, and
  - (b) the references to 2 weeks, 4 weeks and 8 weeks in section 9 (1) (a), (b) and (c) of that Act are each to be read as references to 6 weeks, and
  - (c) an application for restoration of a licence under section 10 of that Act may not be made more than 3 months after the date on which the licence expires, and
  - (d) the reference to 14 days in section 24 (1) of that Act (as to the period within which changed particulars must be notified) is to be read as a reference to 7 days.
- (4) An application for a tradesperson certificate or supervisor certificate may be made only by an individual, and not by a corporation, partnership or other association.
- (5) Subject to this section, the regulations may make provision for or with respect to such matters concerning a tradesperson certificate or supervisor certificate as are relevant to the operation of Part 2 of the applied Act.

### **25 Issue of certificates**

- (1) The Director-General must reject an application for a supervisor or tradesperson certificate if:
  - (a) the Director-General is not satisfied that the applicant is a fit and proper person to hold such a certificate, or
  - (b) the applicant is a mentally incapacitated person, or
  - (c) the applicant is disqualified by this Act or the regulations from holding such a certificate.

- (1A) Without limiting subsection (1) (a), in determining whether an applicant is a fit and proper person to hold a certificate the Director-General is to consider whether the applicant is of good repute, having regard to character, honesty and integrity.
- (2) The regulations may specify or provide for the Director-General to determine additional qualifications that must be held or other requirements that must be met before any supervisor or tradesperson certificate is issued or before such a certificate of a particular kind is issued.
- (3) The Director-General must reject an application for a supervisor or tradesperson certificate:
  - (a) if the Director-General is not satisfied that any such requirement would be met were the certificate to be issued, or
  - (b) if the applicant has not completed, at a standard acceptable to the Director-General, any relevant examination or practical test (or both) conducted or nominated by the Director-General and required by the Director-General to be completed by the applicant.
- (4) A decision of the Director-General relating to:
  - (a) the determining of qualifications or other requirements under subsection (2), or
  - (b) the setting of standards or selecting of examinations or tests under subsection (3),cannot be reviewed by the Administrative Decisions Tribunal in an application for review made under this or any other Act.

## **26 Issue of endorsed contractor licences**

If a contractor licence is issued to an applicant who the Director-General considers is qualified to hold a supervisor certificate, the Director-General may, instead of issuing such a certificate, endorse the contractor licence to show that it is equivalent to such a certificate.

## **27 Authority conferred by certificates**

- (1) A supervisor certificate authorises its holder to do (and to supervise) the following:
  - (a) any residential building work that is described in the certificate when it is issued (being work of a category or categories prescribed by the regulations),
  - (b) any specialist work that is described in the certificate when it is issued (being work of a category or categories prescribed by the regulations).
- (2) A tradesperson certificate authorises its holder to do any specialist work that is described in the certificate when it is issued (being work of a category or categories prescribed by the regulations), but only under the general supervision, and subject to



the control, of the holder of an endorsed contractor licence or a supervisor certificate authorising supervision of the work.

- (3) The authority conferred by a supervisor or tradesperson certificate:
- (a) is subject to the conditions applicable to the certificate for the time being, and
  - (b) may, on the application of the holder of the certificate, be varied by an order of the Director-General set out in a notice served on the holder of the certificate.

## **28 Authority conferred by endorsed contractor licences**

- (1) An endorsed contractor licence authorises its holder to do (and to supervise) the same residential building work, or specialist work, as it authorises its holder to contract to do.
- (2) The authority conferred by an endorsed contractor licence is subject to the conditions applicable to the contractor licence for the time being.
- (3) The authority conferred by an endorsed contractor licence may be varied in the same way as that conferred by any other contractor licence.

## **Division 3 Owner-builder permits**

### **29 Definitions**

- (1) In this Division:

***owner-builder work*** means residential building work:

- (a) the reasonable market cost of the labour and materials involved in which exceeds the prescribed amount, and
  - (b) that relates to a single dwelling-house or a dual occupancy:
    - (i) that may not be carried out on the land concerned except with development consent under Part 4 of the *Environmental Planning and Assessment Act 1979*, or
    - (ii) that is complying development within the meaning of that Act.
- (2) If land is owned by a company that is wholly owned by individuals, the land is to be taken (for the purposes of this Division) to be owned by those individuals.
- (3) In this Division, a reference to an owner of land includes a reference to a person who has a prescribed interest in the land.

### **30 Application to owner-builder permits of [Licensing and Registration \(Uniform](#)**

### Procedures) Act 2002

- (1) The Director-General may grant owner-builder permits for the purposes of this Act.
- (2) Part 2 of the *Licensing and Registration (Uniform Procedures) Act 2002* (**the applied Act**) applies to and in respect of an owner-builder permit, subject to the modifications and limitations prescribed by or under this Act.
- (3) For the purpose of applying Part 2 of the applied Act to an owner-builder permit:
  - (a) the permit may be amended under that Act, and
  - (b) the reference to 14 days in section 24 (1) of that Act (as to the period within which changed particulars must be notified) is to be read as a reference to 7 days.
- (4) An application for an owner-builder permit may be made only by an individual, and not by a corporation, partnership or other association.
- (5) Subject to this section, the regulations may make provision for or with respect to such matters concerning an owner-builder permit as are relevant to the operation of Part 2 of the applied Act.

### 31 Issue of owner-builder permits

- (1) (Repealed)
- (2) The Director-General must reject an application for an owner-builder permit if the Director-General is not satisfied:
  - (a) that the applicant is an individual of or above the age of 18 years, or
  - (b) that the applicant owns the land concerned, whether or not together with another or other individuals, or
  - (c) that the single dwelling-house or one of the dwellings comprising the dual occupancy concerned will be occupied as the residence (being, in the case of a dual occupancy, the principal residence) of the applicant after the work authorised by the permit is done, or
  - (d) that the applicant has completed any applicable education course or training approved by the Director-General for the purposes of this section.
- (3) The Director-General must reject an application for an owner-builder permit if the applicant was, during the 5 years (or, if the regulations prescribe another period, during the other period) occurring immediately before the application was lodged, issued with another owner-builder permit (or an owner-builder permit under the *Builders Licensing Act 1971*), unless the Director-General is satisfied:
  - (a) that the application and the other permit both relate to the same land and to

related owner-builder work, or

(b) that special circumstances exist.

### **32 Authority conferred by owner-builder permits**

- (1) An owner-builder permit authorises its holder to do such residential building work as is described in the permit on the land specified in the permit.
- (2) The authority conferred by an owner-builder permit:
  - (a) is subject to the conditions applicable to the permit for the time being, and
  - (b) may, on the application of the holder of the permit, be varied by an order of the Director-General set out in a notice served on the holder of the permit.

### **32AA Unlicensed contracting**

- (1) The holder of an owner-builder permit must not contract with another person for that person to do any residential building work (or any part of the work) for the holder unless the person is the holder of a contractor licence to do work of that kind.

Maximum penalty: 200 penalty units.

- (2) The holder of an owner-builder permit is not guilty of an offence under this section if the holder establishes that the holder did all that could reasonably be required to prevent the contravention of this section.

## **Division 3A**

### **32A-32D, 32F (Repealed)**

## **Division 4 Provisions relating to contractor licences, certificates and owner-builder permits**

### **33 Definition**

In this Division, **authority** means:

- (a) a contractor licence (whether or not an endorsed contractor licence), or
- (b) a supervisor or tradesperson certificate, or
- (c) an owner-builder permit.
- (d) (Repealed)

### **34 Updating of applications**

- (1) An applicant for an authority, or for the variation, renewal or restoration of an authority, must give the Director-General written particulars of any change in the

particulars or information accompanying the application that occurs before the applicant is given notice of the determination of the application within 7 days (or such longer period as the Director-General allows in a particular case) after the change.

Maximum penalty: 50 penalty units.

- (2) Particulars of any change given by the applicant are then to be considered to have formed part of the original application for the purposes of the application of subsection (1) to any further change in the particulars or information provided.
- (3) This section does not apply to any change in particulars or information if the Director-General has notified the applicant in writing that the Director-General does not require particulars of any change in the particulars or information concerned or does not require particulars of the type of change concerned.

### **35 Director-General may obtain information from third parties**

- (1) The Director-General may, by notice in writing, require an applicant for a contractor licence (whether or not an endorsed contractor licence), an applicant for the renewal or restoration of such a licence or a close associate of the applicant:
  - (a) to authorise a person described in the notice:
    - (i) to provide such information as is specified in the notice as is relevant to the investigation of the application, or
    - (ii) to produce, in accordance with directions in the notice, such records relevant to the investigation of the application as are specified in the notice and to permit examination of the records, the taking of extracts from them and the making of copies of them, or
  - (b) to furnish to the Director-General such authorities and consents as the Director-General directs for the purpose of enabling the Director-General to obtain information (including financial and other confidential information) from other persons concerning the person or close associate.
- (2) If a requirement made under this section is not complied with, the Director-General may refuse to consider the application concerned while the non-compliance continues.
- (3) A person who complies with a requirement of a notice under this section does not on that account incur a liability to another person.

### **36 Conditions of authorities**

- (1) An authority is subject to:
  - (a) any conditions prescribed by the regulations for authorities of the same kind, and
  - (b) any conditions imposed by order of the Director-General and set out in it when it is

issued, except to any extent that they may be inconsistent with conditions referred to in paragraph (c), and

(c) any conditions imposed by order of the Director-General and set out in a notice served on the holder of the authority.

(2) A person issued with an authority must not contravene any requirement made by the conditions of the authority.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

### **37 Restrictions on certain authorities**

An endorsed contractor licence or a supervisor or tradesperson certificate does not authorise its holder to do or supervise specialist work merely because it authorises its holder to do or supervise residential building work.

### **38 Provisional authorities**

(1) The Director-General may, but only if the Director-General considers that special circumstances exist, issue an authority to an applicant even though the applicant does not meet a requirement imposed by or under this Act for the issue of the authority.

(2) When any such authority is issued, the Director-General is required to indicate, in a notice served on the applicant, that it is a provisional authority.

(3) The Director-General may cancel the provisional nature of an authority at any time by serving notice to that effect on the holder of the authority.

(4) The Director-General may cancel a provisional authority at any time by serving notice of cancellation on the holder of the authority.

### **39 (Repealed)**

### **40 Renewal or restoration of authorities**

(1) The Director-General must reject an application for the renewal or restoration of an authority if:

(a) the Director-General is not satisfied that the applicant is a fit and proper person to hold the authority, or

(b) the applicant is a mentally incapacitated person, or

(c) the applicant is disqualified by this Act or the regulations from holding the authority or would be so disqualified when the renewal would take effect, or

(d) the Director-General considers that a close associate of the applicant who would

not be a fit and proper person to hold an authority exercises a significant influence over the applicant or the operation and management of the applicant's business.

- (1A) Without limiting subsection (1) (a), in determining whether an applicant is a fit and proper person to hold an authority the Director-General is to consider whether the applicant is of good repute, having regard to character, honesty and integrity.
- (2) The Director-General may reject an application for renewal or restoration of an authority if:
- (a) further particulars requested from the applicant are outstanding, or
  - (b) the authority is surrendered or cancelled before it is due to expire, or
  - (c), (d) (Repealed)
  - (e) a judgment against the applicant for money owed to the Director-General is not satisfied, or
  - (f) the authority is a provisional authority, or
  - (g) the Director-General is empowered to reject the application by the regulations.
- (2A) The Director-General must reject an application for renewal or restoration of a contractor licence if the Director-General is not satisfied that the applicant has complied or is able to comply with any requirements of Part 6 and any requirements of the regulations relating to insurance applicable to the doing of work of a kind authorised or proposed to be authorised by the contractor licence.
- (2B) The Director-General may reject an application for renewal or restoration of a contractor licence if an employee or proposed employee of the applicant is disqualified from holding such a licence, has had an application for such a licence rejected on a ground relating to his or her character, honesty or integrity or has had such a licence cancelled or suspended on a disciplinary ground.
- (2C) (Repealed)
- (2D) The Director-General may approve further education courses, or other training, that must be completed by specified persons before an application for renewal or restoration of an authority can be accepted.
- (2E) The Director-General may reject an application for renewal or restoration of an authority if the Director-General is not satisfied that, in the year before the authority is proposed to be renewed or restored:
- (a) the applicant, or
  - (b) in the case of an applicant that is a corporation, the directors of that corporation

or any class of persons specified by the Director-General, or

(c) in the case of an applicant that is a partnership, each partner or any class of persons specified by the Director-General, or

(d) an employee of the applicant,

has undertaken or completed, for at least as many hours as are required by the Director-General, the further education course or courses, or other training, approved by the Director-General for the purposes of this section.

(2F) (Repealed)

(3) The Director-General may also reject an application for restoration of an authority if the Director-General is not satisfied that:

(a) failure to apply for renewal of the authority before it expired was due to inadvertence, or

(b) it is just and equitable to restore the authority.

(4) The Director-General may, under subsection (3), reject an application for restoration if:

(a) it requests the applicant or a nominee of the applicant to appear at a reasonable time at an office of the Department of Fair Trading to be examined concerning the merits of the application, and

(b) the applicant or nominee fails to so attend or fails to answer any question put (whether or not at such an examination) by or on behalf of the Director-General and reasonably related to ascertaining the merits of the application.

(5) (Repealed)

#### **41 (Repealed)**

#### **42 Term of licence or certificate**

Unless previously surrendered, suspended or cancelled, an authority (other than an owner-builder permit) continues in force from the time of its issue or last renewal for such term (not exceeding 3 years) as is specified in it.

#### **42A Automatic suspension of licence for failure to comply with order to pay money in relation to building claim**

(1) In this section:

**building claim** has the same meaning as in Part 3A, and includes a claim for the payment of an unspecified sum of money that arises from a supply of building goods or services as referred to in section 48A.

**licence** means a contractor licence (whether or not an endorsed contractor licence).

- (2) If the holder of a licence fails to comply with an order of a court or the Tribunal to pay an amount of money in respect of a building claim by the due date, the licence is, subject to this section, suspended until such time as the Director-General is satisfied that the order has been complied with.
- (3) For the purposes of this section, the **due date** for payment of an amount of money in respect of a building claim is:
  - (a) the end of the time limit specified in the order for payment, or
  - (b) if no such time limit is specified in the order—the end of the period determined by the Director-General.
- (4) The suspension of the licence takes effect:
  - (a) 28 days after the due date for payment, or
  - (b) if the Director-General is, before the end of that 28-day period, provided with a copy of an order staying the operation of the decision of the court or the Tribunal pending an appeal against the decision—as soon as the decision of the court or the Tribunal is confirmed on appeal.

**Note—**

In the case of an order of the Tribunal, section 69 of the [Consumer, Trader and Tenancy Tribunal Act 2001](#) provides that an appeal against (or an application for a rehearing of) the Tribunal's decision does not automatically affect the operation of the decision. However, an order may be made under that section to stay the operation of the Tribunal's decision.

- (5) The Director-General may, by notice in writing to the holder of a licence, defer the operation of the suspension of the licence under this section for any period up until the date on which the licence is due for renewal.
- (6) A decision by the Director-General to defer, or not to defer, the operation of the suspension of a licence under this section cannot be reviewed by the Administrative Decisions Tribunal in an application for review made under this Act.
- (7) If a licence is suspended by operation of this section, the holder of the licence must, as soon as practicable after the suspension takes effect:
  - (a) return the licence to the Director-General by lodging it at an office of the Office of Fair Trading, Department of Commerce, or
  - (b) if unable to lodge the licence, lodge at an office of the Office of Fair Trading, Department of Commerce a statement signed by the person providing accurate and complete details of why the licence cannot be lodged.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units



in any other case.

- (8) This section does not operate to prevent the taking of disciplinary action under Part 4 against a person on the grounds that the person has failed to comply with an order of a court or the Tribunal to pay an amount of money in respect of a building claim.

#### **43 Cancellation because of fraud etc**

- (1) The Director-General may, by serving on the holder of the authority a written notice setting out the reason for the cancellation, cancel an authority if:
- (a) the authority was issued, renewed or restored because of a misrepresentation (whether fraudulent or not), or
  - (b) the authority was issued, renewed or restored in error (whether as a result of such a misrepresentation or not).
- (2) The Director-General may, by a further notice served on the holder of an authority cancelled under this section, retrospectively restore the authority if the Director-General is satisfied:
- (a) that the error concerned has been rectified, and
  - (b) that the holder acted in good faith.

#### **44 Return of cancelled or varied authority**

- (1) Immediately after an authority is cancelled or the Director-General either varies the authority the Director-General confers or imposes a condition on the authority by service of a notice, the person to whom it was issued must:
- (a) lodge the authority at an office of the Department of Fair Trading, or
  - (b) if unable to lodge the authority, lodge at an office of the Department of Fair Trading a statement signed by the person and providing accurate and complete details of why the authority cannot be lodged.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (2) When subsection (1) has been complied with by a person because of a variation or the imposition of a condition, the Director-General must issue an appropriate replacement authority to the person for the residue of the term of the former authority.
- (3) When an authority that has not been cancelled is lodged under this section, the Director-General is to cancel the authority.

#### **45 (Repealed)**

#### **46 Transfer prohibited**

An authority cannot be transferred.

#### **46A Lending of authority prohibited**

- (1) The holder of an authority must not let out, hire or lend the authority to any other person or permit any other person to use the authority.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) A court that convicts a person for an offence under this section is to order the cancellation of the authority concerned. The authority is cancelled on the making of the order.

#### **47 Production of authority**

The holder of an authority must immediately produce the authority for inspection on demand by:

- (a) any person with whom the holder has contracted to do residential building work or specialist work or to whom the holder has made a statement indicating that the holder is willing or prepared to do any such work or to enter into a contract to do any such work, or
- (b) the owner or occupier of any land, building, vehicle or vessel on or in which the holder is doing residential building work or specialist work or on or in which the holder has contracted to do any such work, or
- (b1) (Repealed)
- (c) any person authorised in writing for the purposes of this section by the Director-General, or
- (d) any person authorised in writing for the purposes of this section by any local or public authority which is responsible for the control of residential building work or specialist work which the holder is carrying out, or
- (e) any investigator appointed under section 18 of the *Fair Trading Act 1987*.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

#### **47A Appointment of person to co-ordinate or supervise work if authority suspended, cancelled or surrendered**

- (1) If an authority is suspended, cancelled or surrendered under this or any other Act, the Director-General may, if the Director-General is satisfied that it is in the public interest

to do so, by instrument in writing appoint a person to co-ordinate or supervise any work that has not been completed under any contract entered into by the holder of that authority.

- (2) The appointment is not valid unless the person appointed has consented to the appointment.
- (3) In appointing a person, the Director-General must have regard to the suitability of the person to co-ordinate or supervise the work. The person appointed need not be the holder of an authority under this Act.
- (4) Before appointing a person, the Director-General must obtain the consent of the person for whom the work is being done.
- (5) The person is to be appointed on any terms and conditions that the Director-General thinks fit.
- (6) Those conditions may include a condition that the person supervise the holder of the former authority to do the work.
- (7) The appointment of a person under this section may be terminated at any time by the Director-General.
- (8) The terms and conditions of an appointment under this section may be varied by the Director-General at any time, with the consent of the appointed person.
- (9) A person appointed under this section who is not the holder of an authority under this Act is not liable to be prosecuted for performing any work to which the appointment relates without holding an authority.
- (10) The appointment of a person under this section has no effect on any contract for any work to which it relates or on any contract of insurance, or on the liability of any person under any contract of insurance, in relation to any work to which it relates.

#### **48 Other laws not affected**

Nothing in this Part affects a requirement made by or under any other Act about the doing, supervision or control of residential building work or specialist work.

## **Part 3A Resolving building disputes and building claims**

### **Division 1 Definitions**

#### **48A Definitions**

- (1) In this Part:

***building claim*** means a claim for:

- (a) the payment of a specified sum of money, or
  - (b) the supply of specified services, or
  - (c) relief from payment of a specified sum of money, or
  - (d) the delivery, return or replacement of specified goods or goods of a specified description, or
  - (e) a combination of two or more of the remedies referred to in paragraphs (a)-(d),
- that arises from a supply of building goods or services whether under a contract or not, or that arises under a contract that is collateral to a contract for the supply of building goods or services, but does not include a claim that the regulations declare not to be a building claim.

**building dispute** means a dispute that has been notified as referred to in section 48C.

**building goods or services** means goods or services supplied for or in connection with the carrying out of residential building work or specialist work, being goods or services:

- (a) supplied by the person who contracts to do, or otherwise does, that work, or
  - (b) supplied in any circumstances prescribed by the regulations to the person who contracts to do that work.
- (2) Without limiting the definition of **building claim**, a building claim includes the following:
- (a) an appeal against a decision of an insurer under a contract of insurance required to be entered into under this Act,
  - (b) a claim for compensation for loss arising from a breach of a statutory warranty implied under Part 2C.
- (3) A word or expression:
- (a) that is used in a definition in subsection (1), and
  - (b) that is defined in the *Consumer Claims Act 1998*,
- has the same meaning as in that Act.
- (4) For the purposes of subsection (3), a reference in section 3 of the *Consumer Claims Act 1998* to a consumer is to be read as a reference to any person.

## Division 2 Dealing with a building dispute

#### **48B Definitions**

In this Division:

**complainant** means a person who has notified the Director-General of a building dispute under section 48C.

**contractor** means the holder of a contractor licence to whom a building dispute relates.

**inspector** means a person appointed to carry out an investigation into a building dispute, as referred to in section 48D.

**kit home supplier**—see section 16C.

**rectification order** means an order referred to in section 48E (1) or (2).

#### **48C Notification of building dispute**

- (1) Any person may notify the Director-General, in such manner as the Director-General may approve, that the person has a dispute with:
  - (a) the holder of a contractor licence with respect to residential building work or specialist work done by the contractor, or
  - (b) a kit home supplier with respect to the supply of a kit home by that person.
- (2) Without limiting subsection (1), a notification under that subsection may be made by:
  - (a) an owner of a lot in a strata scheme (within the meaning of the *Strata Schemes Management Act 1996*) about residential building work or specialist work relating to common property in the strata scheme, or
  - (b) a proprietor of a lot in a scheme (within the meaning of the *Community Land Management Act 1989*) about residential building work or specialist work relating to association property in the scheme.

#### **48D Investigation of dispute**

- (1) The Director-General may appoint a member of staff of the Department of Fair Trading to investigate any matter that has given rise to a building dispute.
- (2) After completing an investigation, an inspector must cause a written report to be prepared on the results of the investigation and cause copies of the report to be given to the complainant and the contractor.
- (3) For the purposes of making an investigation in relation to common property in a strata scheme (within the meaning of the *Strata Schemes Management Act 1996*), an inspector may enter and inspect the common property at the request of the owner of a lot in the scheme concerned.

- (4) The owners corporation, any person who has exclusive use of the common property concerned and any caretaker or manager of the common property are to provide such assistance as is reasonable to enable an inspection of that common property to be carried out by an inspector under this section.
- (5) For the purposes of making an investigation in relation to association property in a scheme (within the meaning of the *Community Land Management Act 1989*), an inspector may enter and inspect the association property at the request of the proprietor of a lot in the scheme concerned.
- (6) The relevant association that has the use of the association property concerned and, if the use of that association property has been restricted to a particular proprietor or proprietors, any such proprietor, and any caretaker or manager of the association property are to provide such assistance as is reasonable to enable an inspection of that association property to be carried out by an inspector under this section.
- (7) For the avoidance of doubt, a person may be authorised under section 126 by the Director-General for the purposes of this section.

**48E Inspector may make rectification order**

- (1) If, after completing an investigation under section 48D, an inspector is satisfied:
  - (a) that any residential building work or specialist work contracted to be done by the contractor is incomplete, or
  - (b) that any residential building work or specialist work done by the contractor is defective, or
  - (c) that the contractor, in the course of doing any residential building work or specialist work, has caused damage to any structure or work, or
  - (d) that, as a consequence of any defective residential building work or specialist work done by the contractor, a structure or work has been damaged,the inspector may serve a written order on the contractor requiring the contractor to take such steps as are specified in the order to ensure that the work is completed or the defect or damage rectified, as the case requires.
- (2) If, after completing an investigation under section 48D, an inspector is satisfied:
  - (a) that any kit home supplied by the kit home supplier is incomplete, or
  - (b) that any kit home supplied by the kit home supplier is defective, or
  - (c) that the kit home supplier has failed to supply a kit home,the inspector may serve a written order on the kit home supplier requiring the kit home supplier to take such steps as are specified in the order to ensure that the kit

home is supplied or completed or the defect rectified, as the case requires.

(3) A rectification order:

- (a) may specify conditions (including conditions with respect to the payment of money) to be complied with by the complainant before the requirements of the order must be complied with, and
- (b) must specify a date by which the requirements of the order must be complied with, subject to the complainant's compliance with any condition referred to in paragraph (a), and
- (c) must indicate that the order will cease to have effect if the matter giving rise to the order becomes the subject of a building claim before the date specified in accordance with paragraph (b).

**48F Effect of rectification order**

- (1) Except as provided by section 51, a rectification order does not give rise to any rights or obligations.
- (2) Subject to section 48I, a rectification order ceases to have effect for the purposes of section 51 if the matter giving rise to the order becomes the subject of a building claim before the date specified in accordance with section 48E (3) (b).

**48G-48HA (Repealed)**

**Division 3 Making an application for determination of a building claim**

**48I Application for determination of building claim**

- (1) Any person may apply to the Tribunal for the determination of a building claim.
- (2) A building claim may be withdrawn by the claimant at any time.
- (3) If, immediately before a building claim was made, the claimant was subject to the requirements of a rectification order under Division 2, the building claim may not be withdrawn except with the leave of the Tribunal.
- (4) When granting leave to the withdrawal of a building claim referred to in subsection (3), the Tribunal may restore the rectification order referred to in that subsection.

**48J Certain applications to be rejected**

The Registrar of the Tribunal must reject any application to the Tribunal for the determination of a building claim unless:

- (a) the Registrar is satisfied that the subject-matter of the building claim has been investigated under Division 2, or

- (b) the Chairperson of the Tribunal directs that the building claim be accepted without such an investigation having been made.

## **Division 4 Jurisdiction in relation to building claims**

### **48K Jurisdiction of Tribunal in relation to building claims**

- (1) The Tribunal has jurisdiction to hear and determine any building claim brought before it in accordance with this Part in which the amount claimed does not exceed \$500,000 (or any other higher or lower figure prescribed by the regulations).
- (2) The Tribunal has jurisdiction to hear and determine any building claim whether or not the matter to which the claim relates arose before or after the commencement of this Division, except as provided by this section.
- (3) The Tribunal does not have jurisdiction in respect of a building claim relating to building goods or services that have been supplied to or for the claimant if the date on which the claim was lodged is more than 3 years after the date on which the supply was made (or, if made in instalments, the date on which the supply was last made).
- (4) The Tribunal does not have jurisdiction in respect of a building claim relating to building goods or services that are required under a contract to be supplied to or for the claimant on or by a specified date or within a specified period but which have not been so supplied if the date on which the claim was lodged is more than 3 years after the date on or by which the supply was required under the contract to be made or, if required to be made in instalments, the last date on which the supply was required to be made.
- (5) The fact that a building claim arises out of a contract that also involves the sale of land does not prevent the Tribunal from hearing that building claim.
- (6) The Tribunal does not have jurisdiction in respect of a building claim arising out of a contract of insurance required to be entered into under this Act if the date on which the claim was lodged is more than 10 years after the date on which the residential building work the subject of the claim was completed.
- (7) The Tribunal does not have jurisdiction in respect of a building claim arising from a breach of a statutory warranty implied under Part 2C if the date on which the claim was lodged is more than 7 years after:
  - (a) the date on which the residential building work the subject of the claim was completed, or
  - (b) if the work is not completed:
    - (i) the date for completion of the work specified or determined in accordance with the contract, or



(ii) if there is no such date, the date of the contract.

(8) The Tribunal does not have jurisdiction in respect of a building claim relating to:

(a) a contract for the supply of goods or services to which none of subsections (3), (4), (6) and (7) applies, or

(b) a collateral contract,

if the date on which the claim was lodged is more than 3 years after the date on which the contract was entered into.

(9) This section has effect despite section 22 of the *Consumer, Trader and Tenancy Tribunal Act 2001*.

#### **48L Tribunal to be chiefly responsible for resolving building claims**

(1) This section applies if a person starts any proceedings in or before any court in respect of a building claim and the building claim is one that could be heard by the Tribunal under this Division.

(2) If a defendant in proceedings to which this section applies makes an application for the proceedings to be transferred, the proceedings must be transferred to the Tribunal in accordance with the regulations and are to continue before the Tribunal as if they had been instituted there.

(3) This section does not apply to matters arising under sections 15, 16 or 25 of the *Building and Construction Industry Security of Payment Act 1999*.

(4) This section has effect despite section 23 of the *Consumer, Trader and Tenancy Tribunal Act 2001*.

#### **48M Jurisdiction in relation to actions against refusal of insurance claims**

Despite section 48K, a building claim that relates to the refusal of an insurance claim that exceeds \$500,000 (or any other higher or lower figure prescribed by the regulations) is to be heard by a court of competent jurisdiction.

### **Division 5 Powers of Tribunal**

#### **48N Tribunal may have regard to certain building reports**

(1) In determining a building claim, the Tribunal may have regard to, but is not bound by, any report prepared by an inspector by whom any matter giving rise to a building dispute has been investigated under Division 2 (before an application was made for determination of the building claim).

(2) The inspector may be called to give evidence in proceedings before the Tribunal only by the Tribunal (and not by either party to the building claim).

- (2A) The Tribunal may appoint an independent expert, from a panel of experts approved by the Chairperson of the Tribunal, to advise the Tribunal as to any matter that the Tribunal refers to the expert for advice.
- (2B) In any proceedings for which an independent expert has been appointed under subsection (2A), no party may call any other expert to give evidence in the proceedings, or tender any report prepared by any other expert, except by leave of the Tribunal.
- (2C) Subject to any order of the Tribunal, the costs of an independent expert appointed under subsection (2A) are to be borne by the parties in equal proportions.
- (2D) Anything done or omitted to be done by an independent expert under this Division does not, if the thing was done or omitted to be done in good faith for the purposes of this Division, subject the expert personally to any action, liability, claim or demand.
- (3) Nothing in this section prevents a party from cross-examining an inspector or expert called under this section.

#### **480 Powers of Tribunal**

- (1) In determining a building claim, the Tribunal is empowered to make one or more of the following orders as it considers appropriate:
- (a) an order that one party to the proceedings pay money to another party or to a person specified in the order, whether by way of debt, damages or restitution, or refund any money paid by a specified person,
  - (b) an order that a specified amount of money is not due or owing by a party to the proceedings to a specified person, or that a party to the proceedings is not entitled to a refund of any money paid to another party to the proceedings,
  - (c) an order that a party to the proceedings:
    - (i) do any specified work or perform any specified service or any obligation arising under this Act or the terms of any agreement, or
    - (ii) do or perform, or refrain from doing or performing, any specified act, matter or thing.
- (2) The Tribunal may make an order of a kind referred to in subsection (1) (a) or (b) even if the applicant asked for an order of a kind referred to in subsection (1) (c).
- (3) The provisions of sections 9–13 of the *Consumer Claims Act 1998* apply, with any necessary modifications, to and in respect of the determination of a building claim.

#### **48P Power to adjourn proceedings where insurable event arises**

- (1) This section applies to proceedings in relation to a building claim that does not arise

under a contract of insurance entered into under this Act.

- (2) If, during the course of any proceedings before the Tribunal in relation to a building claim, it appears to the Tribunal that a party to the dispute has the right to make a claim under a contract of insurance entered into under this Act, the Tribunal may adjourn the proceedings to allow the claim to be made and determined.
- (3) If proceedings are adjourned under this section and the claim in relation to the contract of insurance is settled, the proceedings are taken to have been finalised, unless the Tribunal otherwise orders.

#### **48Q Power to join persons as parties to proceedings**

If, at any time before or during proceedings before it in relation to a building claim, the Tribunal is of the opinion that a person should be joined as a party to the proceedings, the Tribunal may, by notice in writing given to the person or by oral direction given during proceedings, join the person as a party to the proceedings.

#### **48R Order must include warning regarding non-compliance**

An order made under this Part (other than an interim order or a direction) must include a warning, in the form prescribed by the regulations, that if the person against whom the order is made fails to comply with the order the failure to comply will be recorded with the other information kept about the person in the register kept under section 120.

#### **48S Tribunal must inform Director-General of any order made**

The Tribunal must inform the Director-General of any order made under this Part, and of the time limit for compliance with the order, as soon as practicable after making the order.

#### **48T Director-General to be informed of compliance with order**

- (1) A person against whom an order has been made by the Tribunal under this Part may inform the Director-General when that order has been complied with.
- (2) A person against whom an order has been made must not inform the Director-General that an order has been complied with if the person knows or ought reasonably to know that it has not been complied with.

Maximum penalty: 200 penalty units.

- (3) If the Director-General is satisfied that an order has been complied with, the Director-General must ensure that the register kept under section 120 does not record non-compliance with the order.
- (4) Nothing in this section prevents the Director-General from recording non-compliance with an order if he or she had previously removed a reference to an order from the register.

#### **48U Failure to inform of compliance**

If the Director-General has not been informed that an order has been complied with by the end of the time limit for compliance with the order, the order is taken to have not been complied with and may be recorded as such on the register kept under section 120.

### **Division 6 Miscellaneous**

#### **48V Requirement to notify Director-General of court order to pay money in relation to building claim**

(1) If the holder of a licence within the meaning of section 42A is ordered by a court to pay an amount of money in respect of a building claim, the licence holder must, within 7 days after the order is made, notify the Director-General in writing of the following particulars:

- (a) the amount of money ordered to be paid,
- (b) the date on which the money is due to be paid if such a date is specified in the order,
- (c) the name of the person to whom the money is to be paid,
- (d) such other particulars as may be prescribed by the regulations.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (2) Without limiting any requirement to notify under subsection (1), if a court makes an order for the payment of money in respect of a building claim, any party to the proceedings in which the order was made may notify the Director-General of the making of the order and the terms of the order.
- (3) A reference in this section to a building claim includes a reference to a claim for the payment of an unspecified sum of money that arises from a supply of building goods or services.

## **Part 4 Disciplinary proceedings**

### **Division 1 Interpretation**

#### **49 (Repealed)**

#### **50 Application of Part to former holders and others**

(1) In this Part, a reference:

- (a) to the holder of a contractor licence includes a reference to an individual, or a partnership or corporation, who or that ceased to hold a contractor licence within

the relevant period, and

(b) to the holder of a supervisor or tradesperson certificate includes a reference to an individual who ceased to hold such a certificate within the relevant period, and

(b1) (Repealed)

(c) to a member of a partnership includes a reference to an individual or a corporation who or which ceased to be such a member within the relevant period, and

(d) to an officer of a corporation includes a reference to an individual who ceased to be such an officer within the relevant period.

(2) In this section, **relevant period** means the period of 5 years before a complaint is made under this Part.

(3) In this section, a reference to a contractor licence or a supervisor or tradesperson certificate includes a reference to an instrument:

(a) granted or issued under the *Builders Licensing Act 1971*, the *Plumbers, Gasfitters and Drainers Act 1979* or the *Electricity Act 1945*, and

(b) declared by the regulations to be the equivalent of a contractor licence or a supervisor or tradesperson certificate.

### 51 Improper conduct: generally

(1) A holder of a contractor licence who is authorised by the contractor licence to contract to do residential building work or specialist work, or a holder of a supervisor or tradesperson certificate, is guilty of improper conduct if the holder:

(a) commits an offence against this Act or the regulations or section 307A or 307B of the *Crimes Act 1900*, whether or not an information has been laid for the offence, or

(b) in the course of doing any work that the licence or certificate authorises the holder to do, fails to comply with the requirements applicable to the work made by or under this or any other Act in respect of the work, or

(c) breaches a statutory warranty, or

(d) in the case of specialist work, does the work otherwise than in a good and workmanlike manner or knowingly uses faulty or unsuitable materials in the course of doing the work, or

(e) becomes a person who is disqualified by this Act or the regulations from holding the licence or certificate.

(1A) (Repealed)

- (2) The holder of a contractor licence is guilty of improper conduct if the holder:
- (a) without reasonable cause, breaches a contract to do any work that the contractor licence authorises the holder to contract to do, or
  - (b) without reasonable cause, does not comply with the requirements of a rectification order under Division 2 of Part 3A, or
  - (c) does not comply with an order of the Tribunal or with an order of a court in respect of a building claim as referred to in Part 3A, or
  - (d) employs a person or engages a person under a contract for services knowing the person is disqualified from holding a contractor licence, has had an application for an authority rejected on a ground relating to the person's character, honesty or integrity or has had an authority cancelled or suspended on a disciplinary ground, or
  - (e) commits fraud or makes any misrepresentation in connection with any contract authorised by the contractor licence or any contract for the sale of any dwelling, structure or work that has resulted from, or been affected by, any work done under the authority of the contractor licence, or
  - (f) is convicted of any offence under the [Workers Compensation Act 1987](#) or the [Workplace Injury Management and Workers Compensation Act 1998](#) or any regulations made under either of those Acts.
- (2A) (Repealed)
- (3) It is a sufficient defence to a complaint that the holder of a contractor licence has been guilty of improper conduct as referred to in subsection (1) (b), (c) or (d) in connection with work undertaken by the holder, if the holder proves to the satisfaction of the Director-General that the holder did all that could reasonably be required to ensure that a nominated supervisor for that work would exercise such degree of control over the doing of the work as would be necessary to prevent the occurrence of the improper conduct.
- (4) It is a sufficient defence to a complaint that the holder of a contractor licence has been guilty of improper conduct as referred to in subsection (2) (d) if, before employing or engaging the person concerned, the holder obtained the approval of the Director-General to the employment or engagement of the person.

## **52 Improper conduct: assisting others**

The holder of a contractor licence, or of a supervisor or tradesperson certificate, is guilty of improper conduct if the holder aids or abets, or is knowingly concerned in any way in, the doing of any thing by another person in connection with residential building work or specialist work if the thing done:

- (a) constitutes improper conduct on the part of the person who did it, or
- (b) would constitute such conduct if the person who did it was authorised, by a contractor licence or certificate, to contract to do, or to do, the work concerned.

**53 Improper conduct: nominated supervisors**

- (1) The holder of an endorsed contractor licence or a supervisor certificate who has control over the carrying out of residential building work or specialist work of any kind is guilty of improper conduct if:
  - (a) the requirements applicable to the work made by or under this Act or any other Act are not complied with, or
  - (b) a breach of a statutory warranty occurs in the course of doing that work, or
  - (c) in the case of specialist work, the work is done otherwise than in a good and workmanlike manner or faulty or unsuitable materials are used in the course of doing the work.
- (2) The holder of an endorsed contractor licence or a supervisor certificate is to be presumed, in the absence of evidence to the contrary, to have control over the doing of all work for which the holder is a nominated supervisor.
- (3) It is a sufficient defence to a complaint that a holder has been guilty of improper conduct under this section if the holder proves to the satisfaction of the Director-General that the holder used all due diligence to prevent the occurrence of the improper conduct.

**54 Improper conduct: members of partnerships or officers of corporations**

- (1) An individual who is a member of a partnership or an officer of a corporation that is the holder of a contractor licence is guilty of improper conduct if the holder does any of the things referred to in section 51 or 52.
- (2) The reference in subsection (1) to an individual who is a member of a partnership includes a reference to an individual who is an officer of a corporation that is a member of a partnership.
- (3) It is a sufficient defence to a complaint that an individual who is a member of a partnership, an officer of a corporation that is a member of a partnership or a director of a corporation (being a partnership or corporation that is the holder of a contractor licence) has been guilty of improper conduct if the individual proves to the satisfaction of the Director-General that:
  - (a) the improper conduct occurred without the individual's knowledge, or
  - (b) the individual was not in a position to influence the conduct of the other members

of the partnership or other officers of the corporation, of which the individual was a member or an officer, so as to prevent the occurrence of the improper conduct, or

(c) the individual, being in such a position, used all due diligence to prevent the occurrence of the improper conduct.

(4) Disciplinary action for improper conduct may be taken against an individual who is a member of a partnership, an officer of a corporation that is a member of a partnership or an officer of a corporation (being a partnership or corporation that is the holder of a contractor licence) whether or not any such disciplinary action has been taken against the partnership or corporation.

(5) Division 2 applies to disciplinary action taken against an individual referred to in subsection (4) in the same way as it applies to disciplinary action taken against the holder of an authority, and references in that Division to the holder of an authority extend to an individual so referred to.

## **Division 2 Disciplinary action**

### **55 Definition of “authority”**

In this Division, **authority** means:

- (a) a contractor licence, or
- (b) a supervisor certificate, or
- (c) a tradesperson certificate.
- (d) (Repealed)

### **56 Grounds for taking disciplinary action against holder of a contractor licence**

The Director-General may take disciplinary action under section 62 against the holder of a contractor licence on any of the following grounds:

- (a) that the holder is not entitled to hold the contractor licence,
- (b) that the holder is not a fit and proper person to hold the contractor licence,
- (c) that the holder is guilty of improper conduct,
- (d) that there is not a sufficient number of nominated supervisors to ensure:
  - (i) that the statutory warranties for residential building work are complied with, or
  - (ii) that specialist work is done in a good and skilful manner and that good and suitable materials are used in doing the work, or



- (iii) that the requirements applicable to the work made by or under this or any other Act in respect of residential building work or specialist work are complied with,
- (e) in the case of a holder of a contractor licence that is a partnership—that any of the members of the partnership, or any of the officers of a corporation that is a member of the partnership, is not a fit and proper person to be a member of the partnership or an officer of the corporation or has been guilty of improper conduct,
- (f) in the case of the holder of a contractor licence that is a corporation—that any of the officers of the corporation is not a fit and proper person to be an officer of the corporation or has been guilty of improper conduct,
- (g) that the holder has failed to comply with a condition of the contractor licence imposed by a determination under this Part,
- (h) that the holder does not meet the standards of financial solvency determined by the Director-General to be appropriate to the class of licence held,
- (i) that, in the opinion of the Director-General, there is a risk to the public that the holder will be unable (whether or not for a reason relating to the financial solvency of the holder) to carry out work that the holder has contracted to do (whether before or after the commencement of this paragraph),
- (j) that the licence was improperly obtained,
- (k) that the Director-General has become aware of information about the licensee that, if known at the time the application for the licence was determined, would have been grounds for rejecting the application,
- (l) that the holder has knowingly done any residential building work or specialist work before the relevant principal certifying authority has carried out any critical stage inspection required to be carried out under section 109E (3) (d) of the *Environmental Planning and Assessment Act 1979* in relation to the work or has failed to give any notification required under that Act in relation to such an inspection.

#### **56A (Repealed)**

#### **57 Grounds for taking disciplinary action against holder of a supervisor or tradesperson certificate**

The Director-General may take disciplinary action under section 62 against the holder of a supervisor or tradesperson certificate on any of the following grounds:

- (a) that the holder is not entitled to hold the certificate,
- (b) that the holder is not a fit and proper person to hold the certificate,
- (c) that the holder is guilty of improper conduct,

- (d) that the holder is not capable of doing all or part of the work that the certificate authorises the holder to do,
- (e) that the holder has failed to comply with a condition of the certificate imposed by a determination under this Part,
- (f) that the certificate was improperly obtained,
- (g) that the Director-General has become aware of information about the holder that, if known at the time the application for the certificate was determined, would have been grounds for rejecting the application.

### **58 Complaints about holders of authorities**

- (1) A complaint may be made to the Director-General by any person about the holder of an authority on any of the grounds set out in this Division for taking disciplinary action against the holder of the authority.
- (2) A complaint must be in writing in a form approved by the Director-General.

### **59 Dealing with complaints**

- (1) If a person makes a complaint to the Director-General about the holder of an authority on one of the grounds for taking disciplinary action set out in this Division, the Director-General may decide:
  - (a) to take action under this Division in relation to the complaint, or
  - (b) to take no action.
- (2) In particular, in deciding whether to take disciplinary action under this Division, the Director-General may do either or both of the following:
  - (a) conduct an investigation under section 60,
  - (b) invite the holder of the authority concerned to show cause under section 61, by way of a written or oral submission, as to why the Director-General should not take any disciplinary action under section 62.
- (3) However, the Director-General is not required to conduct any such investigation, or to invite a person to show cause, if the Director-General is of the opinion that it is in the public interest that the Director-General take immediate disciplinary action under section 62.

### **60 Investigation by Director-General**

- (1) The Director-General may, whether or not the Director-General has received a complaint, investigate:
  - (a) any residential building work or specialist work, or

(b) any holder of an authority,

for the purpose of deciding whether or not to serve a notice under section 61.

- (2) The Director-General may, for the purpose of carrying out an investigation, request information from the Tribunal regarding any building dispute or building claim that has been, or is being, heard by the Tribunal. If such information is requested, the Tribunal must provide it.

### **61 Notice to show cause**

- (1) This section applies if the Director-General is of the opinion that there are reasonable grounds for believing that there are grounds for taking disciplinary action under section 62 against the holder of an authority.
- (2) The Director-General may serve a notice in writing on the holder of an authority, inviting the holder to show cause why he, she or it should not be dealt with under this Division.
- (3) The notice must state the grounds on which the holder is required to show cause and must specify the period, being at least 14 days, during which it must be done.
- (4) A holder of an authority on whom a notice to show cause has been served may, within the period specified in the notice, make submissions to the Director-General, orally or in writing, and provide evidence with respect to the matters to which the notice relates.
- (5) The Director-General may conduct any inquiry or make any investigation in relation to the matters to which the notice relates and the submissions made, if any, and the evidence adduced, if any, by or on behalf of the holder of the authority in relation to those matters that the Director-General thinks fit.
- (6) However, such inquiry or investigation need not be conducted if the Director-General is of the opinion that it is in the public interest to take immediate action.
- (7) If any submissions are made by a person in accordance with this section, the Director-General must, before determining whether or not to take disciplinary action under this Division, take those submissions into consideration.
- (8) If a show cause notice is served under this section on:
- (a) a member of a partnership, or
  - (b) an officer of a corporation that is a member of a partnership, or
  - (c) an officer of a corporation,
- being a partnership or corporation that is the holder of an authority, the other

members of the partnership are, or the corporation is, also to be served with a copy of the notice, if it is practicable for the members or corporation to be so served.

#### **61A Power to suspend authority when show cause notice served**

- (1) The Director-General may by notice in writing to the holder of an authority suspend the authority pending a determination by the Director-General of whether to take disciplinary action under this Act against the holder if:
  - (a) a show cause notice has been served on the holder under section 61, and
  - (b) the Director-General is of the opinion that there are reasonable grounds to believe that:
    - (i) the holder has engaged in conduct that constitutes grounds for suspension of the authority, and
    - (ii) it is likely that the holder will continue to engage in that conduct, and
    - (iii) there is a danger that a person or persons may suffer significant harm, or significant loss or damage, as a result of that conduct unless action is taken urgently.
- (2) The Director-General may only suspend an authority under this section if satisfied that the grounds for disciplinary action specified in the show cause notice would, if established, justify the suspension or cancellation of the authority.
- (3) Such a suspension may not be imposed for a period of more than 60 days after the show cause notice is served. The period of the suspension is to be specified in the notice imposing the suspension.
- (4) The Director-General is not required to afford a person an opportunity to be heard before taking action against the person under this section.
- (5) The Director-General may revoke a suspension under this section at any time by notice in writing to the suspended person.
- (6) This section does not limit or otherwise affect any power to suspend an authority under section 64A of the *Fair Trading Act 1987*.

#### **62 Disciplinary action that may be taken by Director-General**

If, after compliance with this Division, the Director-General is satisfied that any ground on which disciplinary action may be taken against the holder of an authority has been established in relation to the holder, the Director-General may do any one or more of the following:

- (a) determine to take no further action against the holder,

- (b) caution or reprimand the holder,
- (c) make a determination requiring the holder to pay to the Director-General, as a penalty, an amount not exceeding \$11,000 (in the case of an individual) or \$50,000 (in the case of a corporation) within a specified time,
- (d) vary the authority held by the holder, by imposing a condition on the authority, including a condition requiring the holder to undertake a course of training relating to a particular type of work or business practice within a specified time,
- (e) suspend the authority for a period not exceeding its unexpired term,
- (f) cancel the authority,
- (g) disqualify the holder, either temporarily or permanently, from being any one or more of the following:
  - (i) the holder of any authority, or any specified kind of authority,
  - (ii) a member of a partnership, or an officer of a corporation that is a member of a partnership, that is the holder of an authority,
  - (iii) an officer of a corporation that is the holder of an authority.

### **63 Double jeopardy**

The Director-General must not impose a monetary penalty on a person under section 62 (c) if:

- (a) the basis for the ground on which the person was required to show cause related to the commission of an offence, and
- (b) the person has been found guilty of the offence.

### **64 Notice of decision**

- (1) The Director-General must give the holder of an authority who is the subject of a decision to take disciplinary action under section 62, or to take no further action, a notice in writing informing the holder of the decision.
- (2) The notice must include the reasons for the Director-General's decision.

### **65 When disciplinary action becomes effective**

- (1) A decision of the Director-General under section 62, other than a decision to take no further action, has no effect until notice of the decision is served or taken to be served on the holder of the authority who is the subject of the decision, or a later time allowed by the Director-General.
- (2) If the Director-General suspends or cancels an authority under section 62, the

suspension or cancellation takes effect on and from a day determined by the Director-General and notified, by notice in writing, to the holder of the authority.

(3) A person disqualified under section 62 must not, while disqualified:

(a) hold an authority, or

(b) do any work for which this Act requires an authority to be held.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(4) A person is not prohibited by subsection (3) from doing anything done under the supervision of a person appointed under section 47A.

(5) If the Director-General suspends or cancels an authority held by a person, or disqualifies a person from holding an authority, under section 62, the Director-General may refuse to issue or renew any authority affected by the decision to the person during the period between the making of the decision and the serving of notice on the person.

(6) The regulations may make provision regarding when a document is taken to have been served.

#### **66 Return of cancelled, suspended or varied authority**

(1) If the Director-General suspends, varies or cancels an authority, the holder of the authority must return the authority within the period specified by the Director-General when suspending, varying or cancelling the authority by:

(a) lodging the authority at an office of the Department of Fair Trading, or

(b) if unable to lodge the authority, lodging at an office of the Department of Fair Trading a statement signed by the person providing accurate and complete details of why the authority cannot be lodged.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

(2) When subsection (1) has been complied with by a person because of a variation, the Director-General must issue an appropriate replacement authority for the residue of the term of the former authority.

#### **67 Enforcement of monetary penalties and payment of costs**

(1) When a decision of the Director-General to impose a monetary penalty has taken effect and the amount required to be paid has not been paid to the Director-General:

(a) any authority held by the person required to pay is taken to be suspended until

that amount is paid to the Director-General or, if that amount is not paid to the Director-General before the authority would, but for this paragraph, expire, to be cancelled, and

- (b) that amount may be recovered by the Director-General as a debt in any court of competent jurisdiction.
- (2) The Director-General may agree in writing to extend the time for payment by a person of any amount referred to in subsection (1) and, in any such case, that subsection does not have effect in relation to the person during any such extension of time.
- (3) The Director-General's failure to enter into an agreement under this section cannot be reviewed by the Administrative Decisions Tribunal in an application for review made under this Act.

#### **68 Liability for offences not affected**

- (1) A decision to take disciplinary action against a person under section 62 does not affect the liability of the person for any offence against a provision of this or any other Act or of a regulation made under this or any other Act.
- (2) The Director-General is not prevented from taking disciplinary action under section 62 merely because the holder of the authority concerned is subject to criminal or civil proceedings that relate to the same matters or incident to which the disciplinary action relates.

#### **69 Protection if complaint lodged**

An insurer under a contract of insurance entered into for the purposes of Part 6 who makes a complaint in relation to a contractor insured under such a contract in relation to one of the grounds for taking disciplinary action referred to in section 56 is not liable in any way for any loss, damage or injury suffered by the insured or any other person because the complaint is made.

### **Divisions 3-5**

#### **70-83 (Repealed)**

### **Part 4A Reviews by Administrative Decisions Tribunal**

#### **83A Definitions**

In this Part:

**authority** means:

- (a) a contractor licence (whether or not an endorsed contractor licence), or
- (b) a supervisor or tradesperson certificate, or

- (c) an owner-builder permit, or
- (c1) (Repealed)
- (d) an owner-builder permit under the regulations.

***Tribunal*** means the Administrative Decisions Tribunal.

### **83B Reviews by Tribunal**

- (1) An applicant for the issue, alteration, renewal or restoration of an authority aggrieved by any decision of the Director-General relating to the application may apply to the Tribunal for a review of the decision.
- (2) The holder of an authority aggrieved by any decision of the Director-General to alter an authority or to cancel a provisional authority may apply to the Tribunal for a review of the decision.
- (2A) The holder of a contractor licence aggrieved by a decision of the Director-General to suspend the contractor licence under section 22A, 22B or 61A may apply to the Tribunal for a review of the decision.
- (3) A person aggrieved:
  - (a) by a decision made by the Director-General under Part 4 (Disciplinary proceedings) to impose a penalty or to cancel or suspend an authority, or
  - (b) by any other decision made by the Director-General under that Part that is prescribed by the regulations,may apply to the Tribunal for a review of that decision.
- (4) For the purposes of this section, the Director-General is to be taken to have refused any application that has not been withdrawn if the Director-General has not served on the applicant notice of the decision on the application:
  - (a) within 40 days of its being lodged at an office of the Department of Fair Trading, or
  - (b) if the Director-General and the applicant agree on a longer period—within the longer period after its being so lodged.

## **Part 5 Jurisdiction of Tribunal regarding appeals and unjust contracts**

### **Division 1 Appeals**

#### **84 (Repealed)**

#### **85 Right of appeal**

An appeal may be made to the Tribunal:



(a)-(d) (Repealed)

(e) by a person who is deemed to have entered into a house purchaser's agreement under the *Builders Licensing Act 1971* and who is aggrieved by any decision of the Director-General, relating to the agreement, in connection with building work to which the agreement relates.

## **86 Time limits**

- (1) An appeal must be lodged with the registrar of the Tribunal within 30 days:
  - (a) after notice of the decision, determination or order concerned is served on the aggrieved person, or
  - (b) after the decision, determination or order is required by subsection (2) to be taken to have been made.
- (2) The Director-General is to be taken to have refused any application that has not been withdrawn if the Director-General has not served on the applicant notice of the decision on the application:
  - (a) within 40 days of its being lodged at an office of the Department of Fair Trading, or
  - (b) if the Director-General and the applicant agree on a longer period—within the longer period after its being so lodged.
- (3) Despite subsection (1), an appeal may, with the leave of the Tribunal, be lodged with the registrar of the Tribunal after the end of the period referred to in that subsection, but only if:
  - (a) within 30 days after the end of that period, an application is made to the Tribunal for leave to lodge the appeal out of time, and
  - (b) the Tribunal grants that leave.
- (4) The Tribunal must grant leave applied for under this section if satisfied that:
  - (a) there is a sufficient explanation as to why the appeal was not lodged in time, and
  - (b) the other persons concerned in the matter would not be prejudicially affected if leave were granted.

## **87 Conduct of appeal**

An appeal is to be made in accordance with the regulations and to be dealt with by way of:

- (a) rehearing the evidence (if any) given before the Director-General, and
- (b) hearing any new evidence introduced and any evidence that may be introduced in

addition to or in substitution for any evidence so given.

### **88 Decision on appeal**

The Tribunal, in deciding an appeal, may:

- (a) confirm the decision, determination or order of the Director-General appealed against, or
- (b) substitute for that decision, determination or order any other that the Director-General might have made.

### **89 Finality of decision**

Any decision made by the Tribunal on an appeal is final and is to be taken to be that of the Director-General.

## **Division 2**

### **89A-89C (Repealed)**

## **Division 3 Unjust contracts**

### **89D Jurisdiction relating to unjust contracts**

- (1) The Tribunal has the same jurisdiction as the Supreme Court, and may exercise all the powers and authority of the Supreme Court, in proceedings in which relief under the [Contracts Review Act 1980](#) is sought in relation to a contract for residential building work or specialist work.
- (2) This section does not authorise the Tribunal to exercise the powers conferred by section 10 of the [Contracts Review Act 1980](#).
- (3) This section does not affect any jurisdiction of the Supreme Court under the [Contracts Review Act 1980](#) in relation to contracts for residential building work or specialist work.

## **Part 6 Home warranty insurance**

### **Division 1 Home Warranty Insurance Scheme Board**

#### **89E Constitution of Home Warranty Insurance Scheme Board**

There is constituted by this Act a board called the Home Warranty Insurance Scheme Board.

#### **89F Membership of Scheme Board**

- (1) The Scheme Board is to consist of 6 members.

- (2) The members of the Scheme Board are:
  - (a) the Director-General of the Department of Commerce or a nominee of the Director-General, and
  - (b) 5 persons appointed by the Minister.
- (3) The members appointed by the Minister must have knowledge of or experience in insurance products or commerce.
- (4) Schedule 1 has effect with respect to the members and procedure of the Scheme Board.

### 89G Functions

The functions of the Scheme Board are as follows:

- (a) to advise the Minister on guidelines for issue under section 91A,
- (b), (c) (Repealed)
- (d) to monitor the operation of the scheme established by this Part with respect to home warranty insurance and to provide advice and to make recommendations with respect to the scheme,
- (e) to provide advice to the Minister with respect to any other matter referred to it by the Minister.

## Division 2 Insurance

### 90 Definitions

- (1) In this Part:

**contractor** means a person required by section 92 to enter into a contract of insurance.

**developer**, in relation to residential building work, means an individual, partnership or corporation (other than a company referred to in section 3A (3)) on whose behalf the work is done in the circumstances set out in section 3A (2).

**home warranty insurance** means insurance under a contract of insurance required to be entered into by or under this Part.

**insolvent** means:

- (a) in relation to an individual, that the individual is insolvent under administration (within the meaning of the *Corporations Act 2001* of the Commonwealth), or
- (b) in relation to a corporation, that the corporation is an externally-administered

body corporate (within the meaning of the *Corporations Act 2001* of the Commonwealth).

**owner-builder work** means owner-builder work within the meaning of Division 3 of Part 3 that involves:

- (a) the construction of a dwelling, or
  - (b) the alteration of, or additions to, a dwelling, or
  - (c) the construction of an inground swimming pool.
- (2) A reference in this Part to the disappearance of a contractor, supplier or owner-builder includes a reference to the fact that, after due search and inquiry, the contractor, supplier or owner-builder cannot be found.

## **91 When Part applies**

- (1) This Part, as amended by the *Building Services Corporation Legislation Amendment Act 1996*, applies to residential building work or owner-builder work only to the extent that it is done or is to be done or has been done under a contract made on or after the date of commencement of this section or, if it is done otherwise than under a contract, only to the extent that it is commenced on or after that commencement.
- (2) (Repealed)

## **91A Market practice and claims handling guidelines**

- (1) The Minister may, after consultation with the Scheme Board and with the concurrence of the Minister administering the *NSW Self Insurance Corporation Act 2004*, issue guidelines with respect to appropriate market practices or claims handling procedures (or both) in connection with the provision of home warranty insurance by or on behalf of the Self Insurance Corporation.
- (2) The Minister may, from time to time, amend or revoke guidelines issued under this section.
- (3) Guidelines issued under this section, or amendments to such guidelines, are to be published in the Gazette and take effect from the date of publication or such later date as may be specified in the guidelines or amendments.

## **92 Contract work must be insured**

- (1) A person must not do residential building work under a contract unless:
  - (a) a contract of insurance that complies with this Act is in force in relation to that work in the name of the person who contracted to do the work, and
  - (b) a certificate of insurance evidencing the contract of insurance, in a form

prescribed by the regulations, has been provided to the other party (or one of the other parties) to the contract.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) A person must not demand or receive a payment under a contract for residential building work (whether as a deposit or other payment and whether or not work under the contract has commenced) from any other party to the contract unless:
- (a) a contract of insurance that complies with this Act is in force in relation to that work in the name of the person who contracted to do the work, and
  - (b) a certificate of insurance evidencing the contract of insurance, in a form prescribed by the regulations, has been provided to the other party (or one of the other parties) to the contract.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (3) This section does not apply if the contract price does not exceed \$5,000 or (if the contract price is not known) the reasonable market cost of the labour and materials involved does not exceed \$5,000.
- (4) If the same parties enter into two or more contracts to carry out work in stages, the contract price for the purposes of subsection (3) is taken to be the sum of the contract prices under each of the contracts.
- (5) The regulations may prescribe another amount for the purposes of subsection (3) and an amount so prescribed is to apply in the place of the amount referred to in that subsection.
- (6) To avoid doubt, this section extends to residential building work that is also owner-builder work.

#### **92A Notification of insurer**

The holder of a contractor licence who enters into a contract to do residential building work that is the subject of a contract of insurance for the purposes of this Act must inform the insurer under that contract of the following particulars:

- (a) the identity of the contractor and of the other party to the contract, and
- (b) the address of the premises where the residential building work will be done, and
- (c) any other matters relevant to the contract, being matters prescribed by the regulations.

Maximum penalty: 80 penalty units in the case of a corporation and 40 penalty units in

any other case.

### **92B Operation of contract of insurance**

- (1) If the holder of a contractor licence enters into a contract to do residential building work and a contract of insurance that complies with this Act is in force in relation to that work (whether or not the name of the contractor identified under section 92A (a) is the same as the name of the contractor in the contract), the contract of insurance is taken to extend to any residential building work under the contract at the address stated in the certificate of insurance.
- (2) An insurer who pays a claim under a contract of insurance the operation of which has been extended under this section is entitled to recover any money paid from the contractor named in the building contract or the person identified as the contractor under section 92A (a).

### **92C Operation of contract of insurance in relation to non-contracting owners**

- (1) If the holder of a contractor licence enters into a contract to do residential building work on land and a contract of insurance that complies with this Act is in force in relation to that work, the benefit of the contract of insurance is taken to extend (and to have always extended) to any non-contracting owner in relation to the land at the time the contract to do residential building work was entered into as if the non-contracting owner were a person on whose behalf the work is done.
- (2) Subsection (1) applies irrespective of whether or not the contract of insurance concerned contains a term to the same effect as that subsection.

### **93-93B (Repealed)**

### **94 Effect of failure to insure residential building work**

- (1) If a contract of insurance required by section 92 is not in force, in the name of the person who contracted to do the work, in relation to any residential building work done under a contract (the **uninsured work**), the contractor who did the work:
  - (a) is not entitled to damages, or to enforce any other remedy in respect of a breach of the contract committed by any other party to the contract, in relation to that work, and
  - (b) is not entitled to recover money in respect of that work under any other right of action (including a quantum meruit).
- (1A) Despite section 92 (2) and subsection (1), if a court or tribunal considers it just and equitable, the contractor, despite the absence of the required contract of insurance, is entitled to recover money in respect of that work on a quantum meruit basis.
- (1B) A contractor who applies to a court or tribunal for a remedy under this section, or

who is awarded money under this section, is not guilty of an offence under section 92 (2) by virtue only of that fact.

- (1C) Without limiting the factors that a court or tribunal may consider in deciding what is just and equitable under subsection (1A):
- (a) in relation to any contract—the court or tribunal may have regard to the impact on the resale price of the property if no contract of insurance is provided, and
  - (b) in relation only to a contract entered into before 30 July 1999—the court or tribunal is not to be limited by the fact that the required contract of insurance was not obtained until after the date of the contract.
- (2) However, the contractor remains liable for damages and subject to any other remedy in respect of any breach of the contract committed by the contractor.
- (3) Residential building work that is uninsured work at the time the work is done ceases to be uninsured work for the purposes of this section if the required contract of insurance for the work is subsequently obtained.
- (4) If a person commenced residential building work before 30 July 1999 and entered into a contract of insurance that complies with this Act in relation to that work after the contract for the residential building work was entered into, that contract of insurance is, for the purposes of this section or any previous version of this section, taken to have been in force in relation to the residential building work done under the contract for the residential building work whether that work was done before or after the contract of insurance was entered into.

**Note—**

If a contract of insurance is in force in relation to part of the residential building work, this section applies only in relation to the part of the work that is not insured.

**94A (Repealed)**

**95 Owner-builder insurance**

- (1) An owner-builder must not enter into a contract for the sale of land on which owner-builder work is to be or has been done by or on behalf of the owner-builder unless a contract of insurance that complies with this Act is in force in relation to the work or proposed work.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) An owner-builder must not enter into a contract for the sale of land on which owner-builder work is to be or has been done by or on behalf of the owner-builder unless a certificate of insurance evidencing the contract of insurance, in a form prescribed by the regulations, is attached to the contract.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(2A) A person who is the owner of land, and to whom an owner-builder permit was issued under Division 3 of Part 3 after the commencement of this subsection and not more than 6 years previously must not enter into a contract for the sale of the land in relation to which the permit was issued unless the contract includes a conspicuous note:

- (a) that an owner-builder permit was issued under Division 3 of Part 3 to the person in relation to the land, and
- (b) that the work done under that permit was required to be insured under this Act.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

(3) This section does not apply:

- (a) to a sale of the land more than 6 years after the completion of the work, or
- (b) if the reasonable market cost of the labour and materials involved did not exceed \$5,000, or
- (c) if the owner-builder work is of a class prescribed by the regulations.

(4) Subject to subsection (4A), if an owner-builder contravenes subsection (1) or (2A) in respect of a contract, the contract is voidable at the option of the purchaser before the completion of the contract.

(4A) A contract is not voidable as referred to in subsection (4) if:

- (a) the owner-builder obtained a certificate of insurance evidencing a contract of insurance that complies with this Act in relation to the work or proposed work before entering the contract concerned, and
- (b) before completion of the contract, the owner-builder served on the purchaser (or an Australian legal practitioner acting on the purchaser's behalf) a certificate of insurance, in the form prescribed by the regulations, evidencing that contract of insurance.

(5) The regulations may prescribe another amount for the purposes of subsection (3) (b) and an amount so prescribed is to apply in the place of the amount referred to in that subsection.

## **96 Insurance in relation to residential building work not carried out under contract**

(1) A person must not do residential building work otherwise than under a contract unless a contract of insurance that complies with this Act is in force in relation to that work.



Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2) A person who does residential building work otherwise than under a contract must not enter into a contract for the sale of land on which the residential building work has been done, or is to be done, unless a certificate of insurance evidencing the contract of insurance required under this Part for that work, in a form prescribed by the regulations, is attached to the contract of sale.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (2A) (Repealed)

- (2B) A person who does residential building work otherwise than under a contract must, before entering into a contract for sale of land on which the residential building work has been done, or is to be done, give the other party to the contract a brochure, in a form approved by the Director-General, containing information that explains the operation of the contract of insurance, and the procedure for the resolution of disputes under the contract.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (3) This section does not apply:

- (a) to an owner-builder, or
- (b) to a person who does owner-builder work within the meaning of Division 3 of Part 3 that does not involve:
  - (i) the construction of a dwelling, or
  - (ii) the alteration of, or additions to, a dwelling, or
  - (iii) the construction of an inground swimming pool, or
- (c) to an individual who is exempted by the regulations from the requirements of section 12, or
- (d) to a sale of the land more than 6 years after the completion of the work, or
- (e) if the contract price of the work did or does not exceed \$5,000 or (if there is no contract price) the reasonable market cost of the labour and materials involved did or does not exceed \$5,000, or
- (f) (Repealed)

- (3A) Subject to subsection (3B), if a person contravenes subsection (2) in respect of a

contract for the sale of land, the contract is voidable at the option of the purchaser before the completion of the contract.

- (3B) A contract is not voidable as referred to in subsection (3A) if:
- (a) the person obtained a certificate of insurance evidencing a contract of insurance that complies with this Act in relation to the residential building work before entering the contract concerned, and
  - (b) before completion of the contract, the person served on the purchaser (or an Australian legal practitioner acting on the purchaser's behalf) a certificate of insurance, in the form prescribed by the regulations, evidencing that contract of insurance.
- (4) The regulations may prescribe another amount for the purposes of subsection (3) (e) and an amount so prescribed is to apply in the place of the amount referred to in that subsection.

#### **96A Obligations of developers in relation to insurance**

- (1) A developer must not enter into a contract for the sale of land on which residential building work has been done, or is to be done, on the developer's behalf unless a certificate of insurance evidencing the contract of insurance required under section 92 by the person who did or does the work for the developer, in a form prescribed by the regulations, is attached to the contract of sale.

Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.

- (1A) A developer must, before entering into a contract, give the other party to the contract a brochure, in a form approved by the Director-General, containing information that explains the operation of the contract of insurance, and the procedure for the resolution of disputes under the contract.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (2) Despite anything to the contrary in section 3A, a reference in this Part to a person who does residential building work:
- (a) does not include a reference to a developer, and
  - (b) includes a reference to a person who does the work on behalf of a developer.
- (3) Subject to subsection (3A), if a person contravenes subsection (1) in respect of a contract, the contract is voidable at the option of the purchaser before the completion of the contract.

(3A) A contract is not voidable as referred to in subsection (3) if:

- (a) the person obtained a certificate of insurance evidencing a contract of insurance that complies with this Act in relation to the residential building work before entering the contract concerned, and
- (b) before completion of the contract, the person served on the purchaser (or an Australian legal practitioner acting on the purchaser's behalf) a certificate of insurance, in the form prescribed by the regulations, evidencing that contract of insurance.

(4) This section does not apply to a sale of the land more than 6 years after the completion of the work.

### **97 Exemptions from insurance requirements**

(1) A person may apply to the Director-General to be exempted from the operation of a provision of section 95 or 96 in a particular case.

(1A) A person may apply to the Director-General to be exempted from the operation of any other provision of this Part, but only if:

- (a) the person is, or is a member of a class of persons who are, prescribed as entitled to apply for the exemption, or
- (b) circumstances prescribed by the regulations as entitling the making of an application apply to the person.

(2) The Director-General may, by notice in writing, grant an exemption under this section, either unconditionally or subject to conditions, if satisfied that:

- (a) there are exceptional circumstances, or
- (b) full compliance is impossible or would cause undue hardship.

(3) An exemption under this section operates to exempt the person from the operation of the provision concerned, subject to compliance with any conditions of the exemption.

### **98 Employees and others not required to insure**

(1) Nothing in this Part:

- (a) requires a person who carries out work for a person required by this Part to obtain insurance in respect of that work to obtain insurance, or
- (b) makes the first-mentioned person liable for an offence for failing to do so.

(2) Subsection (1) does not apply in the case of a person who contracts to do owner-builder work on behalf of an owner-builder. Such a person must insure that work if otherwise required to do so by section 92.

## **99 Requirements for insurance for residential building work**

- (1) A contract of insurance in relation to residential building work required by section 92 must insure:
  - (a) a person on whose behalf the work is being done against the risk of loss resulting from non-completion of the work because of the insolvency, death or disappearance of the contractor, and
  - (b) a person on whose behalf the work is being done and the person's successors in title against the risk of being unable, because of the insolvency, death or disappearance of the contractor:
    - (i) to recover compensation from the contractor for a breach of a statutory warranty in respect of the work, or
    - (ii) to have the contractor rectify any such breach.
- (2) Subsection (1) does not require the following to be insured:
  - (a) a developer on whose behalf residential building work is being done,
  - (b) any other person belonging to a class of persons prescribed by the regulations for the purposes of this section.
- (2A) A provision of a contract of insurance providing cover for the benefit of a person on whose behalf work is done on land is to be read as providing (and to have always provided) for the same benefit in relation to a non-contracting owner of the land.
- (2B) Subsection (2A) applies irrespective of whether or not the contract of insurance concerned contains a term to the same effect as that subsection.
- (3) A contract of insurance in relation to residential building work required by section 92 must include provision that deems the suspension of a contractor's licence under section 42A to constitute the insolvency of the contractor for the purposes of the application of the policy to any loss that is the subject of a building claim order made against the contractor that remains unsatisfied.
- (4) The following provisions apply to a claim under a contract of insurance that arises because of the operation of subsection (3) in connection with a building claim order:
  - (a) the claim is limited to a loss that would have been covered by the contract in the event of the contractor's insolvency,
  - (b) the amount of the claim need not be the same as the amount of the building claim order (and in particular is not limited by the amount of the building claim order),
  - (c) the building claim order does not limit any right of a beneficiary to appeal against a decision of the insurer in respect of a claim under the contract (and any such

right of appeal may be exercised as if the building claim order had not been made),

(d) the building claim order does not limit any right of recovery of the insurer against the contractor in respect of the loss to which the claim relates (whether that right arises pursuant to any rights of the beneficiary to which the insurer is subrogated, or otherwise).

(5) For the purposes of the operation of a provision of a contract of insurance referred to in subsection (3), a contractor's licence that would have been suspended under section 42A were it not for the fact that the licence expired, or was surrendered or cancelled, before the suspension took effect is taken to have been suspended under that section.

(6) In this section:

**building claim order** has the same meaning as in section 42A.

#### **100 (Repealed)**

#### **101 Requirements for insurance by owner-builders and others**

(1) A contract of insurance in relation to owner-builder work or residential building work required by section 95 or 96 must insure a purchaser of the land on which the work is done and the purchaser's successors in title against the risk of being unable, because of the insolvency, death or disappearance of the owner-builder or contractor concerned:

(a) to recover compensation from the owner-builder or contractor for a breach of a statutory warranty in respect of the work, or

(b) to have the owner-builder or contractor rectify any such breach.

(2) In this section:

**contractor** means a person doing residential building work otherwise than under a contract to whom section 96 applies.

#### **101A Claim form**

(1) The Director-General may approve a form for giving notice of a claim under a contract of insurance.

(2) A claim under a contract of insurance may be made in the approved form but is not required to be made in that form.

(3) The regulations may make provision for or with respect to:

(a) clauses or matter that must be included in a claim form or a class of claim forms,

or

(b) clauses or matter that must not be included in a claim form or a class of claim forms.

- (4) If the regulations require a claim form or class of claim forms to contain a clause in prescribed terms, a claim form of the kind to which the requirement relates is taken to include the clause in the terms prescribed.
- (5) An insurer must accept for consideration any claim submitted in the approved form.
- (6) Any regulations made under this section do not apply to a claim form in force at the time that the regulations commence.

## **102 General requirements for insurance**

- (1) This section applies to all contracts of insurance required to be entered into by or under this Part.
- (2) The insurance must be of a kind approved by the Minister and be provided by the Self Insurance Corporation.

### **Note—**

The Self Insurance Corporation became the only insurer for the purposes of the scheme established by this Part on and from the day on which this subsection was amended by the *NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Act 2010*. See Part 17 of Schedule 4 for savings and transitional provisions relating to the transition from the previous scheme involving home warranty insurance issued by approved insurers to the new scheme under which all insurance is to be issued by the Self Insurance Corporation.

- (3) The contract of insurance must provide for cover of not less than \$200,000 in relation to each dwelling to which the insurance relates, or such other amount as may be prescribed by the regulations.
- (3A) A provision of a contract of insurance to the effect that the amount of cover provided by the contract is the minimum amount provided for from time to time by this Act or the regulations is to be read as providing that the amount of cover provided is the minimum amount provided for by this Act or the regulations at the time the contract is entered into.
- (4) Any limitations on liability under the contract of insurance must comply with any requirements of the regulations.
- (5) The contract of insurance must comply with any other requirements of the regulations.
- (6) A contract of insurance may provide that the insurer is not liable for such amount (not exceeding \$500) of each claim as is specified in the contract.

- (7) The regulations may make provision for or with respect to requiring the retention, at a place prescribed by the regulations, of copies of contracts of insurance required to be entered into by or under this Part.

**102A (Repealed)**

**103 Requirements for professional indemnity and other insurance**

- (1) The regulations may set out requirements for professional indemnity insurance and other similar forms of insurance entered into for the purposes of this Part. The requirements are in addition to those made under section 102.
- (2) Without limiting subsection (1), regulations may be made for or with respect to:
- (a) conditions of contracts of insurance relating to automatic run-off cover, and
  - (b) conditions of contracts of insurance requiring renewal of contracts of insurance for a period sufficient to provide cover of a duration required by or under this Act, and
  - (c) the period for which a contract of insurance must provide cover.

**103A-103AD (Repealed)**

**103B Period of cover**

- (1) A contract of insurance must provide insurance cover for loss arising from non-completion of the work for a period of not less than 12 months after the failure to commence, or cessation of, the work the subject of the cover.
- (2) A contract of insurance must provide insurance cover for other loss insured in accordance with this Act for a period of not less than:
- (a) in the case of loss arising from a structural defect within the meaning of the regulations—6 years after the completion of the work, or the end of the contract relating to the work, whichever is the later, or
  - (b) in the case of loss arising otherwise than from any such structural defect—2 years after the completion of the work, or the end of the contract relating to the work, whichever is the later.
- (2A) However, the Minister may, by notice published in the Gazette, give written approval for a contract of insurance, or for a class of contracts of insurance, to provide insurance cover for a shorter period to the extent to which the insurance cover applies to loss in relation to specified work or materials.
- (2B) Subsection (2) is subject to any variation specified in the regulations as to the period for which insurance cover must be provided.
- (3) This section is subject to any limits set out in the regulations as to the period within

which a claim must be made.

- (4) This section is subject to any provisions in regulations made for the purposes of section 103 relating to professional indemnity insurance.
- (5) A contract of insurance must contain a provision to the effect that the insurer is not entitled either to refuse to pay a claim under the contract of insurance in relation to work done after a contract has commenced, or to cancel the contract of insurance, on the ground that the contract for the work or supply to which it relates was entered into before the period of insurance commenced if a certificate evidencing insurance has been given or the insurer has otherwise accepted cover.

### **103BA Limitations on policy coverage—claims made and notified policy**

- (1) A contract of insurance provides insurance cover in respect of loss only if:
  - (a) in the case of cover for loss arising from non-completion of work—the loss becomes apparent and is notified to the insurer within the period of insurance, or
  - (b) in any other case:
    - (i) the loss becomes apparent and is notified to the insurer within the period of insurance, or
    - (ii) the loss becomes apparent during the last 6 months of the period of insurance and is notified to the insurer within 6 months after the loss becomes apparent.
- (2) A loss **becomes apparent** when a beneficiary under the contract first becomes aware (or ought reasonably have become aware) of the loss.

- (3) In this section:

**loss** means loss indemnified by a contract of insurance.

**period of insurance** means the period for which a contract of insurance provides cover.

### **103C Regulations**

- (1) The Governor may make regulations for or with respect to requirements for insurance required to be entered into under this Part.
- (2) Without limiting subsection (1), regulations may be made for or with respect to the following:
  - (a) limitations on and reductions in liability,
  - (b) beneficiaries who must be insured, or persons who are not required to be insured, under a contract of insurance required to be entered into under this Part,



- (c) losses indemnified,
- (d) the period within which a claim must be made,
- (e) subrogation,
- (f) when an insurance claim is taken to have been refused,
- (g) the manner of determining the maximum amount of insurance cover,
- (h) when work is complete,
- (i) the making of appeals against decisions of insurers, including the time within which appeals may be made.

- (3) A provision of a regulation for or with respect to a matter referred to in subsection (2) (b) applies despite any other provision of this Part.

#### **103D Part may not be excluded**

A provision of a contract or another agreement that purports to restrict or remove the rights of a person under this Part is void.

#### **103E Exemption**

This Part does not apply to residential building work done by or on behalf of, or to sales of land by, the New South Wales Land and Housing Corporation or the Aboriginal Housing Office.

#### **103EA False or misleading applications for home warranty insurance**

- (1) A person must not, in connection with an application to an insurer for home warranty insurance, make a statement (whether orally, in a document or in any other way) knowing that, or being reckless as to whether, the statement:
  - (a) is false or misleading, or
  - (b) omits any matter or thing without which the statement is misleading.

Maximum penalty: 200 penalty units.

- (2) Subsection (1) does not apply as a result of subsection (1) (a) if the statement is not false or misleading in a material particular.
- (3) Subsection (1) does not apply as a result of subsection (1) (b) if the statement did not omit any matter or thing without which the statement is misleading in a material particular.
- (4) The burden of establishing a matter referred to in subsection (2) or (3) lies on the accused person.

## Part 6A Insolvent insurers

### Division 1 Preliminary

#### 103F Interpretation

(1) In this Part:

**beneficiary** means a person covered by an indemnity from the State under Division 2.

**builder** means a contractor or supplier (within the meaning of Part 6), an owner-builder or person who does residential building work otherwise than under a contract.

**developer** has the same meaning as in Part 6.

**Guarantee Corporation** means the Building Insurers' Guarantee Corporation constituted under Division 3.

**insolvent insurer** means an insurer to whom:

- (a) an order of the Treasurer in force under section 16A of the *Insurance Protection Tax Act 2001* relates, or
- (b) an order of the Minister in force under section 103G relates.

**Note—**

See also section 16A (2) of the *Insurance Protection Tax Act 2001* in relation to HIH companies.

**insolvent insurer's policy** means a contract of insurance, required under Part 6, that has been entered into by an insolvent insurer, whether before or after the insurer became an insolvent insurer.

**insurer** means an insurer that was formerly approved by the Minister under section 103A as in force at any time before its repeal by the *NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Act 2010*, but does not include an insolvent insurer.

**liquidator** includes a provisional liquidator.

- (2) In this Part, a reference to a liquidator or to a provisional liquidator includes a reference to a liquidator or a provisional liquidator appointed outside New South Wales.
- (3) So far as the legislative power of Parliament permits, the liquidator of an insolvent insurer has outside New South Wales the functions conferred or imposed on the liquidator by this Part, in addition to having those functions within New South Wales.
- (4) This Part has effect despite any provisions of the *Corporations (New South Wales) Act*

[1990](#) or of the applicable provisions (as defined in that Act) of the State.

### **103G Insolvent insurers**

If the Minister is satisfied that a liquidator or provisional liquidator has been appointed in respect of an insurer, or that an insurer has been dissolved, the Minister may with the approval of the Treasurer, by order published in the Gazette, declare that the insurer is an insolvent insurer for the purposes of this Part.

**Note—**

**Declared insolvent insurers** under the [Insurance Protection Tax Act 2001](#) are also insolvent insurers for the purposes of this Part. See the definition of **insolvent insurer** in section 103F of this Act.

### **103H Transitional—payments made by State before commencement of this Part**

Any payments made by the State in respect of an insolvent insurer's policy relating to any such insurer, any assignment given by a person to whom the payment was made and any other related action taken after 15 March 2001 and before the commencement of this Part are taken to have been made, given or taken under this Part.

## **Division 2 Insurance claims indemnified by State**

### **103I Indemnity**

(1) Subject to this Part, the State must indemnify any person:

- (a) who is entitled to recover an amount under a contract of insurance entered into under Part 6 in connection with any matter, and
- (b) who is covered by an insolvent insurer's policy,

to the extent of the amount that the person is entitled to recover under that policy in connection with that matter.

(2) The following provisions apply to that indemnity:

- (a) the builder to which the policy relates is not entitled to the indemnity,
- (b) a developer to which the policy relates, or a company related, within the meaning of the [Corporations Law](#), to a developer, is not entitled to the indemnity,
- (c) the indemnity does not apply in connection with any matter that is covered by another contract of insurance that is not an insolvent insurer's policy,
- (d) the indemnity does not apply in connection with any matter if a claim has been made under an insolvent insurer's policy in respect of the matter and payment in full has been received by the claimant or the matter has been otherwise settled,
- (e) the indemnity does not apply in connection with any matter if:

- (i) a claim in respect of the matter has been determined by the Tribunal or a court not to be a valid claim under an insolvent insurer's policy, and
  - (ii) the claimant is not entitled to bring any further proceedings to appeal against or seek a review of that determination,
- (f) unless the regulations otherwise provide, the indemnity does not apply in connection with any matter covered by an insolvent insurer's policy issued by HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited if:
- (i) in a case where section 92 or 93 required a person to be provided with a certificate of insurance evidencing the insolvent insurer's policy—the certificate of insurance relating to the matter was provided to the person after 20 June 2001, or
  - (ii) in a case where an owner-builder obtained a certificate of insurance evidencing the insolvent insurer's policy in order to comply with the requirements of section 95—the certificate of insurance relating to the matter was provided to the owner-builder after 15 March 2001, or
  - (iii) in a case where section 96 (1) required a person to ensure a contract of insurance was in force to enable the person to do residential building work—the certificate of insurance evidencing the insolvent insurer's policy relating to the work was issued, or the work commenced, or both, after 20 June 2001,
- (g) the indemnity does not apply in connection with any matter or other circumstance prescribed by the regulations.
- (3) If a claim has been made under an insolvent insurer's policy in connection with any matter and settlement has been reached or a determination has been made by the Tribunal or a court in respect of the claim:
- (a) the amount for which an indemnity is provided by the State under this section in connection with that matter is the amount so agreed in the settlement or determined by the Tribunal or the court, and
  - (b) the amount for which an indemnity is provided by the State under this section in connection with that matter is reduced by any amount paid by the insolvent insurer or a liquidator of the insolvent insurer to the claimant in respect of the claim on the insolvent insurer's policy.

**Note—**

The person who is covered by the indemnity under this section is called the **beneficiary** in this Part (see section 103F).

### **103J Enforcement of indemnity provided by State**

The indemnity provided by the State under this Division may only be enforced by a claim made to, and proceedings taken against, the Guarantee Corporation.

### **103K Making claim under indemnity**

- (1) A claim by a beneficiary under the indemnity provided by this Division is to be made to the Guarantee Corporation in accordance with the procedures approved under this section.
- (2) The claim may be made in respect of any matter whether or not a claim in respect of that matter has been made against an insolvent insurer or a liquidator of an insolvent insurer or any other person.
- (3) The Guarantee Corporation may from time to time approve of procedures for the making, handling and resolution of claims.
- (4) Without limiting subsection (3), the Guarantee Corporation may approve as part of those procedures:
  - (a) the requirement that a claim be made in a particular way, and
  - (b) the requirement that a claim be made within a particular time, and
  - (c) the requirement that the claimant provide particular information, and
  - (d) the requirement that the claimant verify any information by statutory declaration.
- (5) A person must not make a statement in relation to the making of a claim under this Part that the person knows is false or misleading.

Maximum penalty (subsection (5)): 100 penalty units.

### **103L Payment of claims**

If the Guarantee Corporation accepts a claim by a beneficiary, the Guarantee Corporation must pay to the beneficiary (or a person nominated by the beneficiary) out of the Building Insurers' Guarantee Fund the amount assessed by the Guarantee Corporation as payable under the indemnity provided by this Division.

### **103M Assignment of rights**

- (1) Where the Guarantee Corporation pays an amount to a beneficiary (or a person nominated by a beneficiary) under the indemnity provided by this Division, the beneficiary is taken to have assigned the beneficiary's rights in respect of the matter covered by the indemnity to the Guarantee Corporation.
- (2) The Guarantee Corporation may enforce the rights assigned to it under this section as

if those rights had been personally assigned by the beneficiary.

- (3) The regulations may make provision for or with respect to assignments of beneficiaries' rights under this section, including, but not limited to, provisions relating to:
  - (a) the nature and extent of the assignment, and
  - (b) the enforcement of the assignment by the Guarantee Corporation.
- (4) A reference in this section to the assignment of a beneficiary's rights includes a reference to the assignment of any rights that the beneficiary may have, in respect of the matter covered by the indemnity, against a developer or any other person.

### **103N Guarantee Corporation may require builder to make payments or rectify work**

- (1) Subject to subsection (3), if a claim is made by a beneficiary under the indemnity provided by this Division in respect of incomplete or defective residential building work, the Guarantee Corporation may give reasonable directions to the builder concerned in respect of:
  - (a) the completion of the building work or the rectification of the defective building work, or
  - (b) the payment by the builder to the Building Insurers' Guarantee Fund of any amount in respect of the completion of the building work or the rectification of the defective building work.
- (2) Subject to subsection (3), if a claim is made by a beneficiary under the indemnity provided by this Division, the Guarantee Corporation may direct the builder concerned to pay to the Building Insurers' Guarantee Fund any amount paid out of the Fund on that claim.
- (3) The Guarantee Corporation may only give a direction under subsection (1) or (2) to the extent that an insolvent insurer (if it was not insolvent) would be able to require that work or supply, or require a payment to the insurer by the builder, under the relevant insolvent insurer's policy.
- (4) A builder must comply with a direction under subsection (1) or (2).
- (5) The Guarantee Corporation may recover an amount to be paid by a builder under this section in any court of competent jurisdiction as a debt due to the State.
- (6) A builder who fails to comply with a direction under subsection (1) or (2) is guilty of improper conduct.

### **103O Indemnity payments after insolvent insurer dissolved**

- (1) The indemnity provided by this Division continues despite the dissolution of the

insolvent insurer.

(2) In that case, the provisions of this Part apply as if the insurer had not been dissolved.

### **Division 3 Miscellaneous**

#### **103P Building Insurers' Guarantee Fund**

- (1) There is established a fund, to be known as the Building Insurers' Guarantee Fund, belonging to the Guarantee Corporation.
- (2) The following is to be paid into the Fund:
  - (a) money required to be paid into the Fund out of the Policyholders Protection Fund in accordance with section 16D of the *Insurance Protection Tax Act 2001*,
  - (b) the interest and any other amounts from time to time accruing from the investment of the Fund,
  - (c) money recovered by the Guarantee Corporation under this Part, including money recovered by the Guarantee Corporation by the exercise of a beneficiary's rights assigned to the Guarantee Corporation under this Part,
  - (d) money borrowed for the purposes of the Fund.
  - (e) (Repealed)
- (3) The following is to be paid from the Fund:
  - (a) money required to be paid from the Fund under Division 2,
  - (b) payments relating to the costs and expenses of the Guarantee Corporation incurred in or in connection with the exercise of its functions under this Part,
  - (c) money required to be paid from the Fund into the Policyholders Protection Fund in accordance with section 16F of the *Insurance Protection Tax Act 2001*,
  - (d) repayments of money borrowed for the purposes of the Fund.
  - (e) (Repealed)
- (4) The Guarantee Corporation may invest money in the Fund which is not immediately required for the purposes of the Fund in such manner as may be authorised by the *Public Authorities (Financial Arrangements) Act 1987*.

#### **103Q Constitution of Guarantee Corporation**

- (1) There is constituted by this Act a body corporate with the corporate name of the Building Insurers' Guarantee Corporation.

- (2) The Guarantee Corporation is, for the purposes of any Act, a statutory body representing the Crown.
- (3) The seal of the Guarantee Corporation may be affixed to a document only:
  - (a) in the presence of the Minister or a person authorised by the Minister, and
  - (b) with an attestation by the signature of the Minister or that person of the fact of the affixing of the seal.

**103R Minister to manage and control affairs of Guarantee Corporation**

- (1) The affairs of the Guarantee Corporation are to be managed and controlled by the Minister.
- (2) Any act, matter or thing done in the name of, or on behalf of, the Guarantee Corporation by the Minister or the Director-General is taken to have been done by the Guarantee Corporation.

**103S Functions of Guarantee Corporation**

- (1) The Guarantee Corporation has the following functions:
  - (a) to deal with and finalise claims under this Part on behalf of the State,
  - (b) to hold and manage, on behalf of the State, the Building Insurers' Guarantee Fund in accordance with this Act,
  - (c) any other function conferred or imposed on it by or under this or any other Act or law.
- (1A) Without limiting subsection (1) (c), the regulations may make provision for or with respect to the functions of the Guarantee Corporation in relation to any home building insurance or reinsurance arrangements that are entered into by the State.
- (2) The Guarantee Corporation may do all such things as are supplemental or incidental to the exercise of its functions.
- (3) The Guarantee Corporation may appoint an insurer or other person as its agent or contractor for the purpose of exercising any or all of its functions under this Part.

**103T Combined financial and other reporting by Guarantee Corporation and Department of Fair Trading**

The reports of the Guarantee Corporation and the Department of Fair Trading under the *Public Finance and Audit Act 1983*, the *Annual Reports (Statutory Bodies) Act 1984* and the *Annual Reports (Departments) Act 1985* may be combined, but must include a separate report of the financial transactions and activities of the Guarantee Corporation.

**103U Guarantee Corporation may enter into agreements and arrangements with**



### **liquidator of an insolvent insurer**

The Guarantee Corporation may:

- (a) enter into agreements or arrangements on behalf of the State with, and
- (b) on behalf of the State accept any assignment from,

any liquidator of an insolvent insurer or any other person for the purpose of the settling of any claim in respect of which an assignment was made under section 103M or for any other purpose relating to an indemnity under this Part.

### **103V Recovery of amounts under contracts or arrangements for re-insurance or co-insurance**

To the extent that any amounts are paid out of the Building Insurers' Guarantee Fund in respect of an indemnity under Division 2, the Guarantee Corporation is, where an insolvent insurer (if it had provided indemnity to that extent under a contract of insurance) would have been entitled to recover any sum under a contract or arrangement for re-insurance or co-insurance, entitled to the benefit of and may exercise the rights and powers of the insolvent insurer under that contract or arrangement so as to enable the Guarantee Corporation to recover from the re-insurer or co-insurer and pay into the Building Insurers' Guarantee Fund the amount due under that contract or arrangement.

### **103W Liquidator to notify Guarantee Corporation of claims**

The liquidator of an insolvent insurer must, on receiving any claim relating to an insolvent insurer's policy covered by the indemnity provided by Division 2, forward a copy of the claim to the Guarantee Corporation.

Maximum penalty: 20 penalty units.

### **103X Delivery of documents to Guarantee Corporation**

(1) This section applies to the following persons:

- (a) the liquidator of an insolvent insurer,
- (b) any other person who holds documents relating to insolvent insurer's policies covered by the indemnity provided by Division 2 that the liquidator is entitled to possess (including documents the liquidator would be entitled to possess but for a lien).

(2) A person to whom this section applies must, whenever requested to do so by the Guarantee Corporation:

- (a) deliver to the Guarantee Corporation copies of documents relating to insolvent insurer's policies covered by the indemnity provided by Division 2, and of all claims or judgments made in respect of any such policies in the person's

possession, and

- (b) supply to the Guarantee Corporation all information in the person's possession relating to any such policies or any such claims or judgments.

Maximum penalty: 20 penalty units.

**103Y Inspection of documents by person authorised by Minister**

- (1) This section applies to the following persons:

- (a) the liquidator of an insolvent insurer,
- (b) a person who holds documents relating to insolvent insurer's policies covered by the indemnity provided by Division 2 that the liquidator is entitled to possess (including documents the liquidator would be entitled to possess but for a lien).

- (2) A person to whom this section applies must, whenever requested to do so by a person authorised by the Minister, make any documents relating to insolvent insurer's policies covered by the indemnity provided by Division 2, and any claims or judgments made in respect of any such policies in the person's possession available for inspection by that authorised person.

Maximum penalty: 20 penalty units.

**103Z Guarantee Corporation may take certain legal proceedings**

- (1) If:

- (a) the liquidator of an insolvent insurer applies to any court for directions in relation to any particular matter arising under the winding up, or
- (b) the exercise by the liquidator of an insolvent insurer of any of the liquidator's functions, whether under this Part or not, is challenged, reviewed or called into question in proceedings before the Tribunal or any court, or
- (c) any other matter that concerns or may affect the operation of this Part is raised in proceedings before the Tribunal or any court,

the Guarantee Corporation may intervene at any stage of the proceedings before the Tribunal or that court, by an Australian legal practitioner or an agent, and the Guarantee Corporation thereupon becomes a party to, and has all the rights of a party to, those proceedings before the Tribunal or that court, including the right to appeal against any order, judgment or direction of the Tribunal or the court.

- (2) In any case in which the Attorney General might take proceedings on the relation or on behalf of or for the benefit of a beneficiary who is (or who would but for the dissolution of the insolvent insurer be) entitled, under an insolvent insurer's policy, to be indemnified against a claim or judgment arising from or relating to the policy,

being proceedings for or with respect to enforcing or securing the observance of any provision made by or under this Part, any Act or any rule of law, the Guarantee Corporation is taken to represent sufficiently the interests of the public and may take the proceedings in its own name.

#### **103ZA Disputes regarding decisions of Guarantee Corporation**

- (1) The Tribunal has the same jurisdiction in relation to claims for indemnity under Division 2 as it has in relation to claims under contracts of insurance required to be entered into under Part 6.
- (2) The regulations may make provision for or with respect to the application, with such modifications as may be provided by the regulations, of any of the provisions of this Act in relation to the dealing with or finalising of claims, the satisfying of judgments or the resolving of disputes regarding claims.

#### **103ZB Recovery of amounts under guarantees or indemnities**

To the extent that any amounts are paid out of the Building Insurers' Guarantee Fund in respect of an indemnity under Division 2, the Guarantee Corporation is, where an insolvent insurer (if it had provided indemnity to that extent under an insolvent insurer's policy) would have been entitled to recover any sum under a guarantee or indemnity given by a builder or any other person, entitled to the benefit of and may exercise the rights and powers of the insolvent insurer under that guarantee or indemnity so as to enable the Guarantee Corporation to recover from the builder or other person and pay into the Building Insurers' Guarantee Fund the amount due under that guarantee or indemnity.

### **Part 7 Fair Trading Administration Corporation and additional powers of Director-General**

#### **104 (Repealed)**

#### **105 Definitions**

In this Part:

**assets** means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description (including money), and includes securities, choses in action and documents.

**BSC** means the Building Services Corporation constituted under this Act as in force immediately before the commencement of section 110, as substituted by the [Building Services Corporation Legislation Amendment Act 1996](#).

**liabilities** includes all liabilities, debts and obligations (whether present or future and whether vested or contingent).

### **106 Functions of Director-General under Act**

The Director-General has the following functions:

- (a) to promote and protect the interests of owners and purchasers of dwellings (including the purchasers of kit homes) and users of water supplies, sewerage systems, gas, electricity, refrigeration and air conditioning,
- (b) to set, assess and maintain standards of competence of persons doing residential building work or specialist work,
- (c) to complement the work of industry organisations, public authorities and educational institutions in promoting standards,
- (d) to give general advice and guidance to the public,
- (e) to monitor the operation of insurance provided for the purposes of this Act.

### **107 Constitution of Administration Corporation**

- (1) There is constituted by this Act a body corporate with the corporate name of the Fair Trading Administration Corporation.
- (2) The Administration Corporation is, for the purposes of any Act, a statutory body representing the Crown.

### **108 Minister to manage and control affairs of Administration Corporation**

- (1) The affairs of the Administration Corporation are to be managed and controlled by the Minister.
- (2) Any act, matter or thing done in the name of, or on behalf of, the Administration Corporation by the Minister or the Director-General is taken to have been done by the Administration Corporation.

### **109 Functions of Administration Corporation**

- (1) The Administration Corporation has the functions conferred or imposed on the Administration Corporation by or under this or any other Act or law.
- (2) The functions of the Administration Corporation include the following:
  - (a) to hold on behalf of the State, retain, transfer and dispose of assets, rights and liabilities transferred to it under this Act,
  - (b) to acquire, exchange, lease, dispose of and otherwise deal with property,
  - (c) to develop and manage land transferred to it under this Act or otherwise acquired by it,

(d) to carry on any activity or business that relates to the assets, rights and liabilities transferred to it or that is incidental or ancillary to the assets, rights and liabilities transferred to it,

(e) any other function conferred or imposed on it by or under this or any other Act.

(3) The Administration Corporation may do all such things as are supplemental or incidental to the exercise of its functions.

#### **110 Transfer of assets, rights and liabilities to Administration Corporation on dissolution of BSC**

(1) The remaining assets, rights and liabilities of the BSC are transferred to the Administration Corporation.

(2) The remaining assets, rights and liabilities of the BSC are the assets, rights and liabilities of the BSC immediately before the repeal of the provisions of this Act establishing the BSC by the [Building Services Corporation Legislation Amendment Act 1996](#), other than any such assets, rights or liabilities as are transferred to a person or persons on behalf of the State by an order made under subsection (3) on or before that dissolution.

(3) The Minister may direct, by order in writing, that such assets, rights and liabilities of the BSC as are specified or referred to in the order be transferred to such person or persons on behalf of the State as is specified in the order.

(4) The Minister may, in an order under subsection (3), specify the consideration on which a transfer is made and the value or values at which the assets, rights or liabilities are transferred.

(5) Clauses 43–45 of Schedule 4 apply to a transfer under subsection (1) and an order under subsection (3).

#### **111 Seal of Administration Corporation**

The seal of the Administration Corporation is to be kept by the Minister and may be affixed to a document only:

(a) in the presence of the Minister or a person authorised in that behalf by the Minister,

(b) with an attestation by the signature of the Minister or that person of the fact of the affixing of the seal.

#### **112 Trust Account**

(1) The Administration Corporation is required to maintain with any one or more of a bank, building society or credit union in New South Wales a Home Building Trust Account (the **Trust Account**) which is to consist of amounts held in the Building

Services Corporation Trust Account which was maintained under this Act immediately before the commencement of this section.

- (2) After the commencement of this section, the following amounts are to be paid into the Trust Account:
  - (a) amounts received as a consequence of rectification orders under this Act,
  - (b) amounts paid to the Administration Corporation by order of the Tribunal to be applied towards payment for work done or materials supplied,
  - (c) amounts voluntarily paid to the Administration Corporation in furtherance of the resolution of disputes concerning contracts to do residential building work or specialist work or to supply kit homes.
- (3) Payments from the Trust Account may be made for the following purposes only:
  - (a) to pay for work carried out pursuant to a rectification order or as a consequence of the resolution of a dispute or in accordance with subsection (4),
  - (b) to repay a person who has paid money to the Corporation pursuant to a direction in a rectification order, as a consequence of the resolution of a dispute or in accordance with an order of the Tribunal, together with interest accrued on the money, but only to the extent that the money is not applied by the Corporation for a purpose referred to in paragraph (a),
  - (c) to invest money in the Trust Account by way of deposit with any one or more bank, building society or credit union in New South Wales.
- (4) Any money paid to the Administration Corporation by order of the Tribunal to be applied towards payment for work done or materials supplied may be applied by the Corporation, at such time or times and to such extent as the Tribunal directs, for that purpose.

#### **112A Building Insurance Fund**

- (1) The Administration Corporation is required to maintain with one or more banks, building societies or credit unions in New South Wales a Building Insurance Fund.
- (2) The following amounts are to be paid into the Building Insurance Fund:
  - (a) the amounts transferred to the Fund from the Fair Trading Administration Corporation General Account by way of supplementation under section 113, and
  - (b) all money received by the Administration Corporation that is referable to BSC Insurance.
- (3) Payments from the Building Insurance Fund may be made for the following purposes only:

- (a) to satisfy any claims or liabilities arising under BSC Insurance,
- (b) to meet costs associated with any such claims or liabilities,
- (c) to meet departmental and other costs incurred in relation to the administration of BSC Insurance, including any relevant capital costs,
- (d) to invest money in the Fund by way of deposit with any one or more banks, building societies or credit unions in New South Wales.

(4) In this section:

**BSC Insurance** means the insurance schemes established under this Act as in force before the commencement of Schedule 4 [3] to the *Building Services Corporation Legislation Amendment Act 1996*.

### **113 General Account**

- (1) The Administration Corporation must maintain an account called the Fair Trading Administration Corporation General Account.
- (2) There is payable into the Account all money received by the Administration Corporation, except amounts required to be paid into the Trust Account under section 112 or 112A.
- (3) There is payable from the Account:
  - (a) all payments required to meet the expenditure incurred in relation to the functions of the Administration Corporation, other than expenditure for purposes for which payments may be made from the Building Insurance Fund, and
  - (b) such amounts by way of supplementation of the Building Insurance Fund as may be necessary to enable current or future claims against or liabilities of the Fund to be met.
- (4) The amounts referred to in subsection (3) (b) are to be as approved by the Minister and are to be transferred to the Building Insurance Fund.

### **114 Home Building Administration Fund**

- (1) The Director-General is to cause to be maintained in the accounting records of the Department of Fair Trading a Home Building Administration Fund.
- (2) The Home Building Administration Fund is to consist of:
  - (a) that proportion of prescribed fees for the issue of contractor licences, supervision or tradesperson certificates or owner-builder permits as may be determined by the Minister, and

- (b) any amount required to be paid into the Fund, and
  - (c) income from investment of the Fund.
- (3) Money in the Fund is to be applied by the Director-General, with the consent of the Minister, for:
- (a) meeting the costs of operating the scheme for resolving building disputes, and
  - (b) meeting the costs of administering this Act and any other Act prescribed by the regulations, and
  - (c) the making of any investments authorised under the *Public Authorities (Financial Arrangements) Act 1987*.

#### **115 Director-General may make payments**

- (1), (2) (Repealed)
- (3) The Director-General may make payments towards:
  - (a) assisting education or research relating to consumer related issues in the building industry, and
  - (b) encouraging, by subsidy or otherwise, apprenticeship in the building industry and trades subject to licensing under this Act, and
  - (c) assisting education or research relating to the building industry and trades subject to licensing under this Act, and
  - (d) assisting any public purpose connected with the building industry and trades subject to licensing under this Act.
- (4) (Repealed)

### **Part 7A**

#### **115A (Repealed)**

### **Part 7B Home Building Advisory Council**

#### **115B Constitution of Advisory Council**

There is constituted by this Act a council called the Home Building Advisory Council.

#### **115C Functions**

The functions of the Advisory Council are as follows:

- (a) to advise the Minister on such consumer-related or trader-related issues relating to the home building industry as it thinks fit or as are referred to it by the Minister or the



Scheme Board,

- (b) to provide advice to the Minister with respect to any other matter referred to it by the Minister.

**115D Membership of Advisory Council**

- (1) The Advisory Council is to consist of at least 14 members, being:
  - (a) the Chairperson of the Scheme Board, and
  - (b) the Deputy Chairperson of the Scheme Board, and
  - (c) the Director-General of the Department of Commerce or a nominee of the Director-General, and
  - (d) 2 representatives of the insurance industry appointed by the Minister after consultation with the Insurance Council of Australia, and
  - (e) 2 representatives of the building industry appointed by the Minister after consultation with the Master Builders Association and the Housing Industry Association, and
  - (f) 2 persons appointed by the Minister after consultation with Unions NSW to represent the interests of building industry employees, and
  - (g) 2 persons who are holders of contractor licences and are appointed by the Minister, and
  - (h) 2 persons appointed by the Minister to represent the interests of consumers, and
  - (i) one Australian lawyer appointed by the Minister after consultation with the Councils of the Law Society and the Bar Association, and
  - (j) such other persons (if any) as the Minister considers have appropriate qualifications or experience as are appointed by the Minister.
- (2) If, for any reason, consultation with a body referred to in subsection (1) (d), (e), (f) or (i) is not possible or practicable, the Minister may appoint a person to be a member instead of the member required to be appointed, being a person who, in the Minister's opinion, is suitably representative of the persons represented by the bodies referred to in those paragraphs.
- (3) Schedule 1 has effect with respect to the members and procedure of the Advisory Council.

## **Part 8 General**

### **Division 1 Inspections and reports**

#### **116 Inspections of and reports on dwellings**

- (1) The Director-General may cause inspections of dwellings and reports on their condition to be made.
- (2) Any such inspection or report will be made only on the conditions specified in the application made for it.
- (3) An inspection of and report on the condition of a dwelling may be made under this Part:
  - (a) so as to relate to the whole or a part or parts of the dwelling, or
  - (b) whether construction of the dwelling commenced before or after the commencement of this section.

#### **117 Applications**

- (1) An application for an inspection and a report under this Part must be made in a form approved by the Director-General and be accompanied by the fee determined by the Director-General.
- (2) If the Director-General rejects an application, any such fee is to be refunded by the Director-General to the applicant or any other person who appears to the Director-General to be entitled to it.

#### **118 Rejection of applications**

- (1) The Director-General may reject an application for an inspection and report for any reason the Director-General thinks fit.
- (2) The Director-General is to be taken to have rejected an application if the Director-General fails to make the report applied for available by:
  - (a) the time notified to the applicant under subsection (3), or
  - (b) if the applicant agrees with the Director-General on a later time, that time.
- (3) When the Director-General receives an application, the Director-General is to cause the applicant to be notified of the time by which the report should be available.

#### **119 Liability for report**

Should the Director-General cause a report under this Part to be made available to the applicant for it, the Director-General is not liable, for anything included in or omitted from

the report:

- (a) to anyone other than the applicant, or
- (b) to the applicant, if each of the Department of Fair Trading's staff involved in the inspection or preparation of the report acted in good faith, with reasonable care and in accordance with the conditions specified in the application and on which the report was made.

## **Division 2 Miscellaneous**

### **120 Register**

- (1) The Director-General is to maintain a register of:
  - (a) particulars of contractor licences, supervisor and tradesperson certificates and owner-builder permits, and
  - (b) such other particulars as are required to be kept in the register by the regulations.
- (2) On payment of the prescribed fee, the register may be inspected at the principal office of the Department of Fair Trading during its ordinary hours of business and at such other places and times as the Director-General thinks fit.
- (2A) The Director-General may make a copy of the register available for inspection on the internet site maintained by the Department of Fair Trading.
- (3) Without limiting the particulars that may be prescribed by the regulations under subsection (1) (b), the regulations may require that the register include any of the following particulars in relation to the holder of a contractor licence, a supervisor certificate, a tradesperson certificate or an owner-builder permit:
  - (a) the results of any relevant determination under Part 4,
  - (b) the results of any prosecutions against the holder under this Act,
  - (c) details of any penalty notices issued to the holder,
  - (d) the number of insurance claims paid in respect of work done by the holder,
  - (e) any instance of non-compliance with a Tribunal order to do work or to pay money,
  - (e1) any instance of non-compliance with an order made by a court in respect of a building claim within the meaning of Part 3A,
  - (f) details of the public warnings issued regarding the holder under section 23,
  - (g) details of any formal cautions issued to the holder of the contractor licence regarding his, her or its conduct,

(h) any cancellation or suspension of that or any other contractor licence, supervisor certificate, tradesperson certificate or owner-builder permit held by the holder, whether made under this or any other Act.

(4) The Director-General may remove any particular from, or otherwise amend, the register if the particular is shown to the satisfaction of the Director-General to be, or is to the knowledge or in the opinion of the Director-General, false, erroneous, misleading or unfairly prejudicial to the interests of the holder of the contractor licence, supervisor certificate, tradesperson certificate or owner-builder permit concerned.

### **121 Disclosure of information**

- (1) A person must not disclose any relevant information obtained in connection with the administration or execution of this Act unless that disclosure is made:
- (a) with the consent of the person from whom the information was obtained, or
  - (b) in connection with the administration or execution of this Act, or
  - (c) for the purposes of any legal proceedings arising out of this Act or of any report of any such proceedings, or
  - (d) in accordance with a requirement imposed under the *Ombudsman Act 1974*, or
  - (e) with other lawful excuse.

Maximum penalty: 40 penalty units or imprisonment for 6 months, or both.

- (2) In this section, **relevant information** means:
- (a) trade secrets, or
  - (b) other information that is of commercial value, or
  - (c) information concerning the business or financial affairs of the person from whom the information is obtained,

but does not include protected information within the meaning of section 121A.

### **121A Secrecy of information obtained from or relating to insurers or proposed insurers**

- (1) A person who acquires protected information in the exercise of functions under this Act must not, directly or indirectly, make a record of the information or divulge the information to another person if the person is aware that it is protected information, except in the exercise of functions under this Act.

Maximum penalty: 50 penalty units.

- (2) Despite subsection (1), protected information may be divulged:

- (a) to a particular person or persons, if the Minister certifies that it is necessary in the public interest that the information be divulged to the person or persons, or
- (b) to a person, or authority, prescribed by the regulations, or
- (c) to a person who is expressly or impliedly authorised to obtain it by the insurer from which the information was acquired.

(3) A person cannot be required:

- (a) to produce in any court any document or other thing that contains protected information and that has come into the person's possession, custody or control by reason of, or in the course of, the exercise of the person's functions under this Act, or
- (b) to divulge to any court any protected information that has come to the person's notice in the exercise of the person's functions under this Act.

(4) Despite subsection (3), a person may be required to produce such a document or other thing in a court or to divulge protected information to a court if:

- (a) the Minister certifies that it is necessary in the public interest to do so, or
- (b) the insurer to whom the information relates (or to whom the information contained in the document or thing relates) has expressly authorised it to be divulged to or produced in the court.

(5) An authority or person to whom protected information is divulged under subsection (2), and a person or employee under the control of that authority or person, are, in respect of that information, subject to the same rights, privileges and duties under this section as they would be if that authority, person or employee were a person exercising functions under this Act and had acquired the information in the exercise of those functions.

(6) This section does not apply to the divulging of information to, or the production of any document or other thing to:

- (a) any law enforcement agency, or
- (b) any person or body prescribed for the purposes of this subsection.

(7) In this section:

**court** includes any tribunal, authority or person having power to require the production of documents or the answering of questions.

**functions under this Act** includes functions under the regulations or other instruments under this Act.

**produce** includes permit access to.

**protected information** means information about the business or commercial operations of an insurer obtained from an insurer under (or in connection with the administration or execution of) Part 6, not being information that is publicly available.

## **122 Delegation**

The Director-General may delegate to a person any of the Director-General's functions under this Act.

## **123 Service of notices or other documents**

- (1) If, under this Act or the regulations, a notice or other document is required to be, or may be, given or served, that notice or other document may be given to or served on:
  - (a) an individual:
    - (i) by delivering it to him or her personally,
    - (ii) by leaving it at his or her place of residence last known to the Director-General with someone who apparently resides there or at his or her place of business or employment last known to the Director-General with someone who is apparently employed there, being in either case a person who has or who apparently has attained the age of 16 years, or
    - (iii) by posting it in a letter addressed to him or her at the address last known to the Director-General of his or her place of residence, or
  - (b) a firm or corporation:
    - (i) by delivering it to a person who is or who is apparently concerned in the management of the firm or corporation,
    - (ii) by leaving it at the only or principal place of business of the firm or corporation with a person apparently employed there, being a person who has or who apparently has attained the age of 16 years, or
    - (iii) by posting it in a letter addressed to the firm or body corporate at the address last known to the Director-General of its only or principal place of business.
- (2) A notice or document that is delivered, left or posted in accordance with this section is to be taken to have been given or served on its being so delivered or left or, if it is posted, is (in the absence of evidence to the contrary) to be prima facie taken to have been given or served when it would have been delivered in the ordinary course of the post.
- (3) (Repealed)

#### **124 Order for substituted service**

- (1) On being satisfied that it is impracticable, otherwise than pursuant to an order under this section, to effect service of a notice or other document that (under this Act) is required to be, or may be, served on an individual, partnership or corporation, the Director-General may order that the carrying into effect of procedures specified in the order (being procedures intended to have the effect of bringing the document to the notice of the individual, partnership or corporation concerned) will:
  - (a) immediately on their being carried into effect, constitute service of the document for the purposes of this Act, or
  - (b) at the expiration of a period of time specified in the order, or on the occurrence of an event so specified, constitute that service.
- (2) When:
  - (a) the procedures specified in such an order with respect to the service of a document on an individual, partnership or corporation have been carried into effect, and
  - (b) the period of time (if any) specified in the order has expired or the event (if any) so specified has occurred,

the document is to be taken to have been served on the individual, partnership or corporation for the purposes of this Act.

#### **125 Recovery of charges, fees or money**

Any charge, fee or money due to the Administration Corporation may be recovered by the Corporation as a debt in a court of competent jurisdiction.

#### **126 Power of entry**

- (1) For the purpose of ensuring compliance with this Act and the regulations, and for any other purpose related to carrying out the Director-General's functions, the Director-General may authorise a person in writing:
  - (a) to enter any land, building, vehicle or vessel at any reasonable time, and
  - (b) to carry out there any examination or inspection in connection with any structure or work, whether or not it has been completed.
- (2) This section does not apply to a person making an inspection for the purpose of preparing a report under Division 1.
- (3) An authorised person may not enter a dwelling except:
  - (a) with the permission of the occupier of the dwelling, or

- (b) under the authority conferred by a search warrant.
- (4) An authorised person may apply to an authorised officer for the issue of a search warrant if the person has reasonable grounds for believing:
  - (a) that a provision of this Act or the regulations, or
  - (b) that a provision of, or of a statutory instrument made under, any other Act, being a provision that relates to residential building work or specialist work, has been or is being contravened in any dwelling.
- (5) The authorised officer to whom the application is made may, if satisfied that there are reasonable grounds for doing so, issue a search warrant authorising the person named in the warrant, when accompanied by a member of the Police Force:
  - (a) to enter any premises or place, and
  - (b) to search the premises or place for evidence of a contravention of this Act or the regulations.
- (6) Division 4 of Part 5 of the *Law Enforcement (Powers and Responsibilities) Act 2002* applies to a search warrant issued under this section.
- (6A) An investigator appointed under section 18 of the *Fair Trading Act 1987* is taken to be a person authorised under subsection (1).
- (7) In this section:  
**authorised officer** has the same meaning as it has in the *Law Enforcement (Powers and Responsibilities) Act 2002*.

## 127 Power to obtain information

- (1) In this section:  
**authorised person** means:
  - (a) a person authorised in writing by the Director-General for the purposes of this section and holding a certificate issued by the Director-General as to that authority, or
  - (b) an investigator appointed under section 18 of the *Fair Trading Act 1987*.**relevant information** means information about:
  - (a) a possible offence against this Act or the regulations, or against another Act if the offence relates to specialist work, or
  - (b) a complaint under this Act, or



- (c) an investigation by the Director-General into a matter that is or may be the subject of disciplinary proceedings under this Act, or
  - (d) an application for, or for the renewal or restoration of, a contractor licence or a supervisor or tradesperson certificate, or
  - (e) the financial solvency of an applicant for, or holder of, a contractor licence or of a supervisor or tradesperson certificate or a close associate of such an applicant or holder.
- (2) The Director-General may, by notice in writing served personally or by post on a person, require the person:
- (a) to give to an authorised person, in writing signed by the person (or, in the case of a body corporate, by a competent officer of the body corporate) and within the time and in the manner specified in the notice, any relevant information of which the person has knowledge, or
  - (b) to produce to an authorised person, in accordance with the notice, any document containing relevant information, or
  - (c) to appear before an authorised person at a time and place specified in the notice and then and there to give (either orally or in writing) relevant information or to answer any questions reasonably related to giving relevant information or producing documents containing such information.
- (3) An authorised person may inspect a document produced in response to such a notice and may make copies of, or take extracts or notes from, the document.
- (4) A person must not:
- (a) fail to comply with such a notice to the extent that the person is capable of complying with it, or
  - (b) in purported compliance with such a notice, knowingly give information or an answer to a question, or produce a document, that is false or misleading.
- Maximum penalty: 1,000 penalty units in the case of a corporation and 200 penalty units in any other case.
- (5) A person is not excused from giving information, answering questions or producing documents under this section on the ground that the information, answers or documents may tend to incriminate the person.
- (6) Any information or document obtained from a person under this section is inadmissible against the person in criminal proceedings other than proceedings for an offence under this section.

- (7) An authorised officer exercising any function under this section must, if requested to do so, produce the certificate of authority issued to the officer to a person served with a notice under this section.
- (8) For the purposes of section 25 of the *Privacy and Personal Information Protection Act 1998*, an authorised person is not required to comply with section 9, 10, 13, 14, 15, 17, 18 or 19 of that Act in respect of the provision of relevant information under this section.

**127A Power to request name and address of persons undertaking residential building work or specialist work**

- (1) An authorised officer may request the person who has control over the carrying out of the doing of any residential building work, or specialist work, at a building site to state the name and residential address of each person who has contracted to do the work or any part of such work.
- (2) An authorised officer may request the holder of an owner-builder permit to state the name and residential address of each person who has contracted to do any residential building work for the holder.
- (3) For the purposes of subsection (1), the holder of an endorsed contractor licence or a supervisor certificate is to be presumed, in the absence of evidence to the contrary, to have control over the doing of all work for which the holder is a nominated supervisor.
- (4) A person is guilty of an offence if the person:
  - (a) fails or refuses, without reasonable excuse, to comply with a request under this section at the time that the request is made, or
  - (b) states a name or address the person knows to be false.

Maximum penalty: 200 penalty units.

- (5) A person is not guilty of an offence under this section unless it is established that the authorised officer:
  - (a) provided evidence to the person that he or she was an authorised officer, and
  - (b) warned the person that a failure to comply with the request may be an offence.
- (6) In this section:

**authorised officer** means an officer of the Department of Commerce authorised by the Director-General for the purposes of this section and holding a certificate issued by the Director-General as to that authority.

## **128 Obstruction of officers and others**

- (1) A person must not, without reasonable excuse:
- (a) hinder or obstruct any officer of the Department of Fair Trading so as to interfere with the exercise of the officer's functions under this Act, or
  - (b) hinder or obstruct the holder of an authority under section 126 so as to interfere with the exercise of the holder's functions under that section, or
  - (c) being an occupier of any land, building, vehicle or vessel entered under such an authority, fail to provide the holder of the authority with such facilities and assistance as are reasonably requested by the holder for the exercise of the holder's functions.

Maximum penalty: 40 penalty units in the case of a corporation and 20 penalty units in any other case.

- (2) A person is not guilty of an offence under this section involving an authority under section 126 unless the authority was, before the alleged offence occurred, produced for inspection by the person.

## **129, 130 (Repealed)**

## **131 Certificate evidence**

A certificate purporting to be signed by a prescribed officer of the Department of Fair Trading and certifying:

- (a) that an individual, or a partnership or corporation, was or was not, on a day or during a period specified in the certificate, the holder or disqualified from being the holder of a contractor licence and, if such a holder, that the holder of the contractor licence was or was not then authorised by the contractor licence to contract to do work so specified, or
- (b) that an individual was or was not, on a day or during a period so specified, the holder of an endorsed contractor licence or of a supervisor or tradesperson certificate or owner-builder permit and, if such a holder, that the individual was or was not then authorised by the contractor licence, certificate or owner-builder permit to do or supervise (or both) work so specified, or
- (b1) (Repealed)
- (c) that an individual so specified was or was not a nominated supervisor, or
- (d) that a person had or did not have, on a day or during a period specified in the certificate, the benefit of a specified owner-builder permit, approval or exemption or of an owner-builder permit, approval or exemption of a specified kind issued under the

regulations, or

- (e) that conditions set out in the certificate were the conditions of a specified contractor licence, supervisor or tradesperson certificate, owner-builder permit, approval or exemption on a day or during a period specified in the certificate, or
- (f) that a notice required to be given to or by the Director-General by or under this Act or the regulations was or was not given on a day or during a period specified in the certificate or was not given up to the date of the certificate,
- (g) that a contractor licence, a supervisor or tradesperson certificate or an owner-builder permit identified in the certificate was or was not suspended, surrendered or cancelled on a day, or suspended for a period, specified in the certificate, or
- (h) that a successor in title to work carried out under an owner-builder permit so specified is eligible for Comprehensive Protection under the Building Services Corporation insurance for a period so specified subject to any exceptions so specified,
- (i), (j) (Repealed)

is admissible in evidence in any proceedings and is prima facie evidence of the matters stated in it.

### **132 State of mind of and conduct by directors, employees or agents**

- (1) If, in proceedings under this Act or any of the Acts referred to in section 135, it is necessary to establish the state of mind of a body corporate, it is sufficient to show that an officer, employee or agent of the body corporate by whom the conduct was engaged in within the scope of the person's actual or apparent authority has that state of mind.
- (2) Any conduct engaged in on behalf of a body corporate:
  - (a) by an officer, employee or agent of the body corporate within the scope of the person's actual or apparent authority, or
  - (b) by any other person at the direction of or with the consent or agreement (whether express or implied) of an officer, employee or agent of the body corporate, if the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the officer, employee or agent,

is to be taken, for the purposes of this Act, to have been engaged in also by the body corporate.

- (3) If, in proceedings under this Act or any of the Acts referred to in section 135, it is necessary to establish the state of mind of a person other than a body corporate, it is sufficient to show that an employee or agent of the person, being an employee or agent by whom the conduct was engaged in within the scope of the employee's or

agent's actual or apparent authority, had that state of mind.

- (4) Conduct engaged in on behalf of a person (other than a body corporate):
- (a) by an employee or agent of the person within the scope of the actual or apparent authority of the employee or agent, or
  - (b) by any other person at the direction or with the consent or agreement (whether express or implied) of an employee or agent of the first-mentioned person, if the giving of the direction, consent or agreement is within the scope of the actual or apparent authority of the employee or agent,

is to be taken, for the purposes of this Act or any of the Acts referred to in section 135, to have been engaged in also by the first-mentioned person.

- (5) A reference in this section to the state of mind of a person includes a reference to the knowledge, intention, opinion, belief or purpose of the person and the person's reasons for that knowledge, intention, opinion, belief or purpose.

### **133 Evidence of publication**

- (1) In any proceedings under this Act or the regulations:
- (a) where a published statement is intended, or apparently intended, to promote services related to doing residential building work or specialist work, and
  - (b) a name, business name, address, telephone number, post office box number or newspaper office reply number specified in the statement is that of a person, or the agent of a person, who:
    - (i) is the supplier of the services, or
    - (ii) has an interest, otherwise than as a supplier, in the supply of services,

it is to be presumed, unless the contrary is established, that the person or agent, as the case may be, caused the statement to be published.

- (2) For the purposes of this section, a person who causes a statement to be published is to be taken to have done so on each day on which the statement is published.

### **134 Aiding and abetting etc**

A person who:

- (a) aids, abets, counsels or procures a person to commit, or
- (b) induces or attempts to induce a person, whether by threats or promises or otherwise, to commit, or
- (c) is in any way, directly or indirectly, knowingly concerned in, or party to, the

commission by a person of, or

(d) conspires with another to commit,

an offence against this Act or the regulations is guilty of the same offence and liable to be punished accordingly.

### **135 Proceedings for certain offences under other Acts**

Without affecting any of the provisions of:

(a) (Repealed)

(a1) the *Electricity (Consumer Safety) Act 2004*, or

(b) the *Electricity Safety Act 1945*, or

(c) the *Gas Supply Act 1996*, or

(d) the *Hunter Water Act 1991*, or

(e) (Repealed)

(f) the *Local Government Act 1993*, or

(g) the *Sydney Water Act 1994*, or

(h) the *Water Management Act 2000*,

an information alleging that a person has committed an offence against, or against a statutory instrument made under, any of those Acts may be laid by any prescribed officer, if it alleges that a person has done (or employed another person to do) any residential building work or specialist work unlawfully.

### **136 Offence by employee—liability of employer**

(1) If an employee contravenes any provision of this Act or the regulations, the employer is to be taken to have contravened the same provision (whether or not the employee contravened the provision without the employer's authority or contrary to the employer's orders or instructions).

(2) It is a defence in proceedings against an employer for such a contravention if it is established:

(a) that the employer had no knowledge of the contravention, and

(b) that the employer could not, by the exercise of due diligence, have prevented the contravention.

(3) An employer may be proceeded against and convicted under a provision pursuant to

subsection (1) whether or not the employee has been proceeded against or convicted under that provision.

- (4) This section, in its application to contraventions concerning electrical wiring work, binds the Crown as an employer.

### **137 Offence by body corporate—liability of directors etc**

- (1) If a body corporate contravenes any provision of this Act or the regulations, each person who is a director of the body corporate or who is concerned in its management is to be taken to have contravened the same provision if the person knowingly authorised or permitted the contravention.
- (1A) Subsection (1) does not apply in respect of a contravention of a provision of Division 3 of Part 6A.
- (2) A person may be proceeded against and convicted under a provision pursuant to subsection (1) whether or not the body corporate has been proceeded against or convicted under that provision.

### **138 Supreme Court injunction**

- (1) If, on the application of the Director-General made with the consent of the Minister, the Supreme Court is satisfied that a person has engaged in conduct that constitutes or would constitute:
- (a) an offence against a provision of or made under this Act or any of the Acts referred to in section 135, or
  - (b) attempting to commit any such offence, or
  - (c) aiding, abetting, counselling or procuring a person to commit any such offence, or
  - (d) inducing or attempting to induce a person to commit any such offence, or
  - (e) being in any way, directly or indirectly, knowingly concerned in, or a party to, the commission by a person of any such offence,
- or has persistently entered into contracts in contravention of a requirement made by or under this Act, the Court may grant an injunction in such terms as the Court determines to be appropriate.
- (2) Without affecting the generality of subsection (1), an injunction granted under this section may restrain a person from:
- (a) committing an offence against, or against a statutory instrument made under, any of the Acts referred to in section 135, or
  - (b) entering into contracts in contravention of a requirement made by or under this

Act.

- (3) An interim injunction may be granted under this section without an undertaking being required as to damages or costs or may be so granted as a permanent injunction.

### **138A Penalty notices**

- (1) An authorised officer may serve a penalty notice on a person if:
- (a) it appears to the officer that the person has committed an offence against this Act or the regulations, and
  - (b) the regulations prescribe that offence as being one for which a penalty notice may be issued.
- (2) A penalty notice is a notice to the effect that, if the person served does not wish to have the matter determined by a court, the person may pay, within the time and to the person specified in the notice, the amount of penalty prescribed by the regulations for the offence if dealt with under this section.
- (3) A penalty notice may be served personally or by post.
- (4) If the amount of the penalty prescribed for an alleged offence is paid under this section, no person is liable to any further proceedings for the alleged offence.
- (5) Payment under this section is not an admission of liability for the purposes of, and does not affect or prejudice, any civil claim, action or proceeding arising out of the same occurrence.
- (6) The regulations may:
- (a) prescribe an offence for the purposes of this section by specifying the offence or by referring to the provision creating the offence, and
  - (b) prescribe the amount of penalty payable for an offence if dealt with under this section, and
  - (c) prescribe different amounts of penalty for different offences or classes of offences.
- (7) The amount of penalty prescribed under this section for an offence is not to exceed the maximum amount of penalty that could be imposed for the offence by a court.
- (8) This section does not limit the operation of any other provision of, or made under, this or any other Act relating to proceedings that may be taken in respect of offences.
- (9) In this section, **authorised officer** means:
- (a) the Director-General, or
  - (b) a person authorised in writing by the Director-General as an authorised officer for



the purposes of this section, or

(c) an investigator appointed under the *Fair Trading Act 1987*.

### **139 Proceedings for offences**

(1) Proceedings for an offence against this Act are to be dealt with:

(a) summarily before the Local Court, or

(b) summarily before the Supreme Court in its summary jurisdiction.

(1A) If proceedings for an offence against this Act are brought in the Local Court, the maximum monetary penalty that the Local Court may impose for the offence is 200 penalty units, despite any higher maximum monetary penalty provided in respect of the offence.

(1B) Proceedings for an offence against the regulations are to be dealt with summarily before the Local Court.

(2) Any such proceedings must be commenced by an information laid within 3 years after the commission of the offence.

### **140 Regulations**

(1) The Governor may make regulations, not inconsistent with this Act, for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) Without affecting the generality of subsection (1), the regulations may make provision for or with respect to the following:

(a) contractor licences, supervisor and tradesperson certificates and owner-builder permits under this Act, duplicate contractor licences and duplicate supervisor and tradesperson certificates under the regulations and permits under the regulations,

(a1) kinds of insurance to be obtained by an applicant for a contractor licence, or the renewal or restoration of a contractor licence, or by the holder of a contractor licence, in addition to any insurance required to be obtained under Part 6,

(a2) (Repealed)

(b) the supervision of residential building work and of specialist work,

(c) advertisements and the display of signs relating to residential building work or specialist work,

(d) agreements or arrangements relating to residential building work or specialist work,

- (e) forms, records, notices and returns,
- (f) appeals and show cause proceedings under this Act,
- (g) the keeping of trust accounts by holders and former holders of contractor licences,
- (h) the conduct of examinations for the purposes of this Act or the regulations,
- (i) matters that are required to be taken into account by the Director-General in deciding whether or not special circumstances exist under a provision of this Act,
- (j) fees payable under this Act or the regulations and the refund or waiver of any such fees,
- (k) exemptions from requirements of this Act or the regulations,
- (l) the keeping of public registers.

(3) A regulation may create an offence punishable by a penalty not exceeding 200 penalty units in the case of a corporation and 100 penalty units in any other case.

#### **141 Repeals**

- (1) The Acts specified in Part 1 of Schedule 3 are repealed.
- (2) The regulations specified in Part 2 of Schedule 3 are repealed.

#### **142 Savings and transitional provisions**

Schedule 4 has effect.

#### **143 (Repealed)**

#### **144 Limitation of liability**

A matter or thing done by the Director-General or any other person acting under the direction of the Director-General does not, if the matter or thing was done in good faith for the purposes of executing this or any other Act, subject the Director-General or a person so acting personally to any action, liability, claim or demand.

#### **145 Review of Act**

- (1) The Minister is to review this Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives.
- (2) The review is to be undertaken 3 years after the date of assent to the [Home Building Legislation Amendment Act 2001](#).
- (3) A report on the outcome of the review is to be tabled in each House of Parliament as

soon as possible after the review is completed and, in any case, within 6 months after the end of the 3-year period referred to in subsection (2).

- (4) Without limiting subsection (1), the Minister is to review this Act with a view to establishing a Home Building Compliance Commission in accordance with the recommendations of the Joint Select Committee on the Quality of Buildings in its *Report on the Quality of Buildings*.
- (5) The review is to be completed within 2 years after the date of assent to the *Building Legislation Amendment (Quality of Construction) Act 2002*.
- (6) A report on the outcome of the review is to be tabled in each House of Parliament as soon as possible after the review is completed and, in any case, within 4 months after the end of the 2-year period referred to in subsection (5).

## Schedule 1 Provisions relating to advisory bodies

(Sections 89F and 115D)

### 1 Definition

In this Schedule, **advisory body** means the following:

- (a) the Scheme Board,
- (b) the Advisory Council.

### 2 Chairperson

- (1) The Minister may appoint an appointed member of an advisory body as its Chairperson.
- (2) The Minister may appoint an appointed member of the Scheme Board as its Deputy Chairperson.
- (3) An appointment of an appointed member of an advisory body as its Chairperson or Deputy Chairperson may be for a specified or unspecified term, but may be revoked at any time by the Minister in writing for any or no reason.
- (4) Such a revocation of appointment as Chairperson or Deputy Chairperson of the advisory body does not of itself affect a person's tenure of office as an appointed member of the advisory body.

### 3 Acting members

- (1) The Minister may, from time to time, appoint a person to act in the office of an appointed member of an advisory body during the illness or absence of the member. The person, while so acting, has and may exercise all the functions of the appointed member and is taken to be an appointed member of the body.

- (2) Subclause (1) extends to the office and functions of Chairperson or Deputy Chairperson of the advisory body, but the Minister may instead appoint another appointed member of the body to act in the office of Chairperson or Deputy Chairperson.
- (3) The Minister may remove any person from any office to which the person was appointed under this clause at any time for any or no reason.
- (4) For the purposes of this clause, a vacancy in the office of an appointed member is taken to be an absence from office of the member.

#### **4 Terms of office**

Subject to this Schedule, an appointed member of an advisory body holds office for such period not exceeding 3 years as may be specified in the instrument of appointment of the member, but is eligible (if otherwise qualified) for re-appointment.

#### **5 Allowances**

A member of an advisory body is entitled to be paid such allowances as the Minister from time to time determines in respect of the member.

#### **6 Vacancies**

- (1) The office of an appointed member of an advisory body becomes vacant if the member:
  - (a) dies, or
  - (b) completes a term of office and is not re-appointed, or
  - (c) resigns the office by letter addressed to the Minister, or
  - (d) is removed by the Minister from office under this clause, or
  - (e) is absent from 3 consecutive meetings of the body of which reasonable notice has been given to the member personally or in the ordinary course of post, except on leave granted by the Minister or unless, before the expiration of 4 weeks after the last of those meetings, the member is excused by the Minister for having been absent from those meetings, or
  - (f) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her remuneration for their benefit, or
  - (g) becomes a mentally incapacitated person, or
  - (h) is convicted in New South Wales of an offence that is punishable by imprisonment for 12 months or more or is convicted elsewhere than in New South Wales of an

offence that, if committed in New South Wales, would be an offence so punishable.

- (2) The Minister may remove an appointed member from office as a member of an advisory body at any time for any or no reason.

## **7 Filling of vacancy**

- (1) If the office of an appointed member of an advisory body becomes vacant, a person is, subject to this Act, required to be appointed to fill the vacancy.
- (2) The appointment must be made within 2 months of the office becoming vacant, or such longer time as the Minister considers appropriate in the circumstances.

## **8 Disclosure of pecuniary interests**

- (1) A member of an advisory body:
  - (a) who has a direct or indirect pecuniary interest in a matter being considered or about to be considered at a meeting of the advisory body, and
  - (b) whose interest appears to raise a conflict with the proper performance of the member's duties in relation to the consideration of the matter,must, as soon as possible after the relevant facts have come to the member's knowledge, disclose the nature of the interest at a meeting of the body.
- (2) A disclosure by a member of an advisory body at a meeting of the body that the member:
  - (a) is a member, or in the employment, of a specified company or other body, or
  - (b) is a partner, or in the employment, of a specified person, or
  - (c) has some other specified interest relating to a specified company or other body or to a specified person,is a sufficient disclosure of the nature of the interest in any matter relating to the company or other body or to that person that may arise after the date of the disclosure and that is required to be disclosed under this clause.
- (3) Particulars of any disclosure made under this clause must be recorded by the members of the advisory body in a book to be kept for the purpose and that book must be open at all reasonable hours to inspection by any person on payment of the fee determined by the members.

## **9 Effect of certain other Acts**

- (1) The *Public Sector Employment and Management Act 2002* does not apply to the appointment of an appointed member of an advisory body. An appointed member is

not, as an appointed member, subject to that Act.

(2) If by or under any Act provision is made:

- (a) requiring a person who is the holder of a specified office to devote the whole of his or her time to the duties of that office, or
- (b) prohibiting the person from engaging in employment outside the duties of that office,

the provision does not operate to disqualify the person from holding that office and also the office of a member of an advisory body or from accepting and retaining any remuneration payable to the person under this Act as a member of the advisory body.

(3) The office of appointed member of an advisory body is for the purposes of any Act taken not to be an office or place of profit under the Crown.

## **10 General procedure**

The procedure for the calling of meetings of an advisory body and the conduct of those meetings is, subject to this Act and the regulations and any directions of the Minister, to be determined by the body. The Minister may give such directions for this purpose as the Minister thinks fit.

## **11 Meetings**

An advisory body is required to meet 4 times during each calendar year. However, the advisory body may hold additional meetings as approved by the Minister, and is required to do so as directed by the Minister.

## **12 Quorum**

The quorum for a meeting of an advisory body is a majority of its members for the time being.

## **13 Presiding member**

(1) A meeting of an advisory body is to be chaired by:

- (a) the Chairperson of the body, or
- (b) in the absence of the Chairperson (including a person appointed under clause 3 to act as Chairperson), the Deputy Chairperson or another appointed member of the body elected to chair the meeting by a majority of the members of the body present.

(2) The member chairing any meeting of an advisory body has a deliberative vote and, in the event of an equality of votes, has a second or casting vote.

#### **14 Voting**

A decision supported by a majority of the votes cast at a meeting of an advisory body at which a quorum is present is the decision of the body.

#### **15 Transaction of business outside meetings or by telephone or other means**

- (1) An advisory body may, if it thinks fit, transact any of its business by the circulation of papers among all the members of the body for the time being. A resolution in writing approved by a majority of those members is taken to be a decision of the body.
- (2) An advisory body may, if it thinks fit, transact any of its business at a meeting at which members (or some members) participate by telephone, close-circuit television or other means, but only if any member who speaks on a matter before the meeting can be heard by the other members.
- (3) For the purposes of:
  - (a) the approval of a resolution under subclause (1), or
  - (b) a meeting held in accordance with subclause (2),the Chairperson, Deputy Chairperson and each member have the same voting rights as they have at an ordinary meeting of the body.
- (4) A resolution approved under subclause (1) is, subject to the regulations, to be recorded in the minutes of the meetings of the advisory body.
- (5) Papers may be circulated among members for the purposes of subclause (1) by facsimile or other transmission of the information in the papers concerned.

#### **16 Minutes**

- (1) An advisory body must cause full and accurate minutes to be kept of the proceedings of each meeting of the body.
- (2) The advisory body is to cause a copy of the minutes of each meeting to be forwarded to the Minister within 21 days after the meeting.

#### **17 First meeting**

The first meeting of an advisory body is to be called in such manner as the Minister determines.

### **Schedules 2, 2A (Repealed)**

## Schedule 3 Repeals

(Section 141)

### Part 1 Repealed Acts

*Builders Licensing Act 1971 No 16*

*Building Services Corporation Act 1987 No 59*

*Plumbers, Gasfitters and Drainers Act 1979 No 44*

### Part 2 Repealed regulations

*Builders Licensing Regulations*

*Building Services Corporation Regulation 1987*

*Electricity Development (Registration and Licensing) Regulation 1984*

*Electricity (Prescribed Warning Notice) Regulation 1988*

*Plumbers, Gasfitters and Drainers Regulation 1980*

## Schedule 4 Savings and transitional provisions

(Section 142)

### Part 1 General

#### 1 Definition

In this Schedule:

**former Act** means:

- (a) the *Builders Licensing Act 1971*, or
- (b) the *Plumbers, Gasfitters and Drainers Act 1979*, or
- (c) the *Building Services Corporation Act 1987*.

#### 2 Regulations

- (1) The regulations may contain provisions of a savings or transitional nature consequent on the enactment of this Act and the following Acts:

*Consumer Claims Tribunals (Building Disputes) Amendment Act 1989*

*Local Government (Building Approvals) Amendment Act 1989*

*Building Services Corporation (Amendment) Act 1994*, except as regards amendments made to the *Consumer Claims Tribunals Act 1987*

*Building Services Corporation Legislation Amendment Act 1996*

*Home Building Amendment Act 1998*



*Home Building Amendment Act 1999*

*Home Building Amendment Act 2000*

*Insurance (Policyholders Protection) Legislation Amendment Act 2001*

*Home Building Legislation Amendment Act 2001*

*Home Building Amendment (Insurance) Act 2002*

*Building Legislation Amendment (Quality of Construction) Act 2002*

*Home Building Amendment Act 2004*

*Home Building Amendment (Statutory Warranties) Act 2006*

*Home Building Amendment Act 2008*

*Home Building Amendment (Insurance) Act 2009*

*Occupational Licensing Legislation Amendment (Regulatory Reform) Act 2009*

*Home Building Amendment (Warranties and Insurance) Act 2010*

*NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Act 2010*, to the extent that it amends this Act

- (2) A provision referred to in subclause (1) may, if the regulations so provide, take effect as from the date of assent to the Act concerned or a later date.
- (3) To the extent to which a provision referred to in subclause (1) takes effect from a date that is earlier than the date of its publication in the Gazette, the provision does not operate so as:
  - (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication, or
  - (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.

## **Part 2 Provisions consequent on enactment of this Act**

### **3 General savings**

Except as provided otherwise by this Schedule or by a regulation made under clause 2, anything:

- (a) that was done by the Corporation under or for the purposes of a provision of a former

Act, and

- (b) that had an effect immediately before the commencement of any corresponding provision of this Act,

is to be taken to have been done under or for the purposes of the corresponding provision of this Act.

#### **4 Continuation of legal entity**

The Corporation is a continuation of, and the same legal entity as, the Corporation constituted by the *Building Services Corporation Act 1987*.

#### **5 Members and Chairperson**

(1) Any person:

- (a) holding the office of Chairperson of the Corporation immediately before the commencement of clause 1 of Schedule 1 is, on that commencement, to be taken to have been appointed under that clause, or
- (b) holding the office of a part-time member of the Corporation immediately before the commencement of section 107 is, on that commencement, to be taken to have been appointed under that section to the corresponding office under this Act, or
- (c) holding the office of an associate member of the Corporation immediately before the commencement of section 108 is, on that commencement, to be taken to have been appointed under that section as such a member, or
- (d) holding the office of acting member or acting Chairperson of the Corporation immediately before the commencement of clause 2 of Schedule 1 is, on that commencement, to be taken to have been appointed under that clause to the corresponding office under this Act.

(2) Any such appointment is to be taken to have been made for the residue of the term of office for which the person was in fact appointed.

#### **6 General Manager**

Any person:

- (a) who was appointed under the *Public Sector Management Act 1988* to the office of General Manager of the Corporation referred to in section 9 of the *Building Services Corporation Act 1987*, and

(b) who held that office immediately before the commencement of section 111,

is, on that commencement, to be taken to have been so appointed to the office of General Manager referred to in section 111.

## 7 Delegation

A delegation of a function made by the Corporation or the General Manager under the *Building Services Corporation Act 1987* is to be treated as having been a delegation of the corresponding function made under this Act.

## 8 Licences and permits under *Builders Licensing Act 1971*

- (1) A full or restricted licence in force under the *Builders Licensing Act 1971* immediately before the commencement of this clause, being a licence that authorised its holder to contract to do residential building work (whether or not only if a subsidiary licence is also held), is to be taken to be a licence under this Act authorising its holder to contract to do the same work.
- (2) A full or restricted licence in force under the *Builders Licensing Act 1971* immediately before the commencement of this clause, being a licence endorsed by the Corporation “qualified full licensee” or “qualified licensee”, is to be taken to be an endorsed contractor licence under this Act authorising its holder to contract to do, to do, and to supervise, the same residential building work as it authorised its holder to do immediately before that commencement.
- (3) A subsidiary licence in force under the *Builders Licensing Act 1971* immediately before the commencement of this clause, being a licence that authorises a person (not being the licensee) to do residential building work, is to be taken to be a supervisor certificate authorising that person to do, and to supervise, the same work.
- (4) Such a subsidiary licence ceases to so authorise that person if that person ceases to be:
  - (a) a full-time employee of the holder of the licence, or
  - (b) a director of any corporation that holds the licence.
- (5) Any conditions (other than prescribed conditions) to which a licence referred to in this clause was subject immediately before the commencement of this clause are to be taken to have been imposed under this Act (when the licence was in fact granted) on the corresponding licence or supervisor certificate arising under this clause.
- (6) Any licence under this Act arising from subclause (1) or (2) is to be taken to have been issued for the residue of the term for which the corresponding full or restricted licence under the *Builders Licensing Act 1971* was in fact issued.
- (7) Any supervisor certificate under this Act arising from subclause (3) is to be taken to have been issued for the residue of the term for which the corresponding subsidiary licence under the *Builders Licensing Act 1971* was in fact issued.
- (8) An owner-builder permit in force under the *Builders Licensing Act 1971* immediately before the commencement of this clause is to be taken to be an owner-builder permit

issued under this Act.

## **9 Licences, authorities and certificates under *Plumbers, Gasfitters and Drainers Act 1979***

- (1) A licence in force under the *Plumbers, Gasfitters and Drainers Act 1979* immediately before the commencement of this clause, being a licence authorising its holder to contract to do, to do, and to supervise, plumbing work or gasfitting work, is to be taken to be an endorsed contractor licence under this Act authorising its holder to contract to do, to do, and to supervise, the same work.
- (2) A contractor's authority in force under the *Plumbers, Gasfitters and Drainers Act 1979* immediately before the commencement of this clause, being an authority authorising its holder to contract to do plumbing work or gasfitting work, is to be taken to be a licence under this Act authorising its holder to contract to do the same work.
- (3) A certificate of registration in force under the *Plumbers, Gasfitters and Drainers Act 1979* immediately before the commencement of this clause, being a certificate authorising its holder to do plumbing work or gasfitting work under general control, is to be taken to be a tradesperson certificate under this Act authorising its holder to do the same work under the supervision of the holder of an appropriate endorsed contractor licence or supervisor certificate.
- (4) Any conditions (other than prescribed conditions) to which such a licence, authority or certificate was subject immediately before the commencement of this clause are to be taken to have been imposed under this Act (when the licence, authority or certificate was in fact granted) on the corresponding licence or tradesperson certificate arising under this clause.
- (5) Any licence under this Act arising from subclause (1) or (2) is to be taken to have been issued for the residue of the term for which the corresponding licence or contractor's authority under the *Plumbers, Gasfitters and Drainers Act 1979* was in fact issued.
- (6) Any tradesperson certificate under this Act arising from subclause (3) is to be taken to have been issued for the residue of the term for which the corresponding certificate of registration under the *Plumbers, Gasfitters and Drainers Act 1979* was in fact issued.

## **10 Certificates and licences under *Electricity Act 1945***

- (1) A certificate of registration as an electrical contractor in force under the *Electricity Act 1945* immediately before the commencement of this clause is to be taken to be a licence under this Act authorising its holder to contract to do electrical wiring work.
- (2) An electrical mechanic's licence in force under the *Electricity Act 1945* immediately before the commencement of this clause, being a licence authorising its holder to do electrical wiring work without supervision, is to be taken to be a supervisor certificate under this Act authorising its holder to do the same work.

- (3) An electrical mechanic's licence in force under the *Electricity Act 1945* immediately before the commencement of this clause, being a licence authorising its holder to do electrical wiring work only under supervision, is to be taken to be a tradesperson certificate under this Act authorising its holder to do the same work under the supervision of the holder of an appropriate endorsed contractor licence or supervisor certificate.
- (4) Any terms (other than prescribed terms) to which an electrical mechanic's licence was subject immediately before the commencement of this clause are to be taken to have been conditions imposed under this Act (when the licence was in fact issued) on the corresponding licence or supervisor or tradesperson certificate arising under this clause.
- (5) Any licence or supervisor or tradesperson certificate under this Act arising from subclause (1), (2) or (3) is to be taken to have been issued for a term of 3 months (or, if a longer term is prescribed, for the longer term) commencing on the commencement of this clause.

#### **11 Applications for licences etc pending**

An application for an instrument under a former Act, being an application pending immediately before the repeal of the provision under which the application was made is, on that repeal, to be taken to be an application for a corresponding instrument under the corresponding provision of this Act.

#### **12 Complaints, inquiries and appeals pending**

- (1) In this clause, **repealed Act** means:
  - (a) the *Builders Licensing Act 1971*, or
  - (b) the *Plumbers, Gasfitters and Drainers Act 1979*.
- (2) The provisions of a repealed Act, as in force immediately before its repeal, apply to and in respect of a complaint made, or an inquiry or appeal commenced, under that Act and pending immediately before that repeal.
- (3) Any order, decision or determination resulting from an inquiry or appeal to which this clause applies is to be taken to have been made under the corresponding provisions of this Act and is to have effect accordingly.

#### **13 Appeal rights**

A person who, immediately before the repeal of a provision of a former Act, was entitled to commence (but had not commenced) an appeal has, on that repeal, the residue of the time within which that appeal might have been commenced to commence an appeal under the corresponding provision of this Act.

#### **14 Complaints etc relating to previous conduct**

A complaint or investigation under this Act may be made, a restoration, completion or repair order may be served, and show cause action may be taken, with respect to conduct or any other matter or thing that occurred before or after, or partly before and partly after, the commencement of the provisions of this Act under which the complaint or investigation is made, the order is served or the action is taken.

#### **15 Insurance policies**

- (1) The provisions of the *Builders Licensing Act 1971*, as in force immediately before its repeal, apply to and in respect of each house purchaser's agreement and trade indemnity agreement entered into by the Corporation and in force immediately before that repeal.
- (2) This clause has effect subject to clauses 25-29.

#### **16 Certificates relating to former Acts**

A certificate purporting to be signed by a prescribed officer and certifying any of the matters referred to in:

- (a) section 22 (a)-(i) of the *Builders Licensing Act 1971*, or
- (b) section 62 (a)-(i) of the *Plumbers, Gasfitters and Drainers Act 1979*, or
- (c) section 33A (1) (a)-(c) of the *Electricity Act 1945*,

as that Act was in force immediately before the commencement of this clause, is admissible in evidence in any proceedings and is prima facie evidence of the matters stated in it.

#### **17 Regulations**

A regulation:

- (a) that was, immediately before the commencement of Schedule 5, in force under an Act to be amended by that Schedule, and
- (b) that could be lawfully made under that Act, as amended by that Schedule,

is, on that commencement, to be taken to have been made under that Act, as so amended.

#### **18 Validation**

Anything done by the Corporation before the commencement of section 100 that could have been lawfully done only if that section had been in force when it was done is to be taken to have been lawfully done.

## 19 References to former Acts etc

If a former Act, an instrument issued or made under a former Act or any provision of any such Act or instrument is referred to:

- (a) in any other Act, or
- (b) in any instrument issued or made under any other Act, or
- (c) in any other instrument of any kind,

the reference extends to this Act, to any corresponding instrument issued or made under this Act or to any corresponding provision of this Act or of an instrument issued or made under this Act.

## 19A References to the Director-General and abolished Boards in other Acts and in instruments

(1) This clause applies to the following instruments:

- (a) any Act (other than this Act) assented to before 24 November 1989,
- (b) a statutory instrument made before that date under an Act,
- (c) any other kind of instrument made, issued or executed before that date.

(2) In an instrument to which this clause applies, a reference to:

- (a) the Builders Licensing Board or the Plumbers, Gasfitters and Drainers Board, or
- (b) the Building Services Corporation constituted by the *Building Services Corporation Act 1987*,

is taken to include a reference to the Director-General.

(3) This clause is taken to have commenced on 24 November 1989.

(4) Subclauses (1)–(3) re-enact (with minor modification) clauses 2 and 5 of the *Building Services Corporation (Savings and Transitional) Regulation 1989*. Subclauses (1)–(3) are transferred provisions to which section 30A of the *Interpretation Act 1987* applies.

## Part 3 Provisions consequent on enactment of **Building Services Corporation (Amendment) Act 1994**

### 20 Definition

In this Part:

**amending Act** means the *Building Services Corporation (Amendment) Act 1994*.

## **21 Proposed complaints**

The omission of the requirement in section 57 (1) (b) extends to a case where the holder of a licence was informed of the matters in a complaint within 30 days before the commencement of Schedule 1 (3) (a) to the amending Act.

## **22 Rectification orders**

A rectification order made by the Corporation before the commencement of Schedule 1 (4) to the amending Act is taken to be a rectification order made by a building disputes tribunal.

## **23 Show cause actions**

- (1) A show cause action pending at the commencement of Schedule 2 (6) to the amending Act is to be heard and determined by the Commercial Tribunal.
- (2) Any hearing being held before the Corporation (or a member or committee of the Corporation) immediately before that commencement in relation to a show cause action is terminated. The fact that a hearing was being held, or that it is terminated by this clause, does not affect the power of the Commercial Tribunal to hear and determine the show cause action.

## **24 Determinations and orders**

- (1) Subject to this clause, a determination or order made by the Corporation under Division 4 of Part 4 is taken to be a determination made by the Commercial Tribunal.
- (2) This clause does not affect the right of appeal given by section 85 (c), and for that purpose the determination or order appealed against continues as a determination or order of the Corporation.
- (3) If a hearing has been completed but a determination has not been made by the Corporation as at the commencement of Schedule 2 (6) to the amending Act, the Corporation may make a determination as if the amending Act had not been enacted.
- (4) Sections 76, 77, 79 and 82 apply in relation to a determination made by the Corporation as if the amending Act had not been enacted.

## **25 Existing disputes under old insurance agreements, where arbitration proceedings are pending**

- (1) This clause applies where:
  - (a) a dispute relates to a house purchaser's agreement under the *Builders Licensing Act 1971*, and
  - (b) the dispute occurred before the commencement of this clause in connection with building work to which the agreement relates (whether the dispute arose before,



on or after 21 March 1990) and the dispute remains unresolved at that commencement, and

(c) arbitration proceedings relating to the dispute are pending at that commencement.

(2) Section 85 (e) extends to provide the claimant under the agreement with a right of appeal to the Commercial Tribunal in relation to the dispute.

(3) Such an appeal may be lodged with the registrar of the Commercial Tribunal within 30 days after the commencement of this clause. This subclause has effect despite section 86 (1).

(4) Where arbitration proceedings are pending under the agreement at the commencement of this clause:

(a) the Corporation must immediately notify the claimant of the right of appeal, and

(b) lodging of an appeal has the effect of terminating the arbitration proceedings, and

(c) the arbitration proceedings are, on termination, taken to have failed, but the claimant is not liable to pay any costs of the Corporation in the arbitration proceedings.

## **26 Existing disputes under old insurance agreements, where arbitration proceedings are not pending**

(1) This clause applies where:

(a) a dispute relates to a house purchaser's agreement under the *Builders Licensing Act 1971*, and

(b) the dispute occurred before the commencement of this clause in connection with building work to which the agreement relates (whether the dispute arose before, on or after 21 March 1990) and the dispute remains unresolved at that commencement, and

(c) arbitration proceedings relating to the dispute are not pending at that commencement.

(2) The claimant under the agreement may, within 12 months after the commencement of this clause, request the Corporation to re-assess the claim.

(3) Section 85 (e) extends to provide the claimant under the agreement with a right of appeal to the Commercial Tribunal in relation to the determination of the Corporation on the request for re-assessment.

(4) Any provisions of the agreement relating to arbitration do not apply to any dispute arising out of the request for re-assessment.

## **27 New disputes under old insurance agreements**

- (1) This clause applies where:
  - (a) a dispute relates to a house purchaser's agreement under the *Builders Licensing Act 1971*, and
  - (b) the dispute occurs after the commencement of this clause in connection with building work to which the agreement relates.
- (2) Section 85 (e) operates to provide the claimant under the agreement with a right of appeal to the Commercial Tribunal in relation to the dispute.
- (3) Any provisions of the agreement relating to arbitration do not apply to the dispute.

## **28 Interest**

- (1) The Commercial Tribunal may order that interest is payable on any amount ordered by the Tribunal to be paid by the Corporation to a claimant referred to in clause 25 or 26, if the Tribunal is satisfied that delay in finalising the matter was attributable to the Corporation.
- (2) Interest is payable on such amount or amounts, in respect of such period or periods and at such rate or rates as the Commercial Tribunal thinks appropriate.

## **29 Costs**

- (1) Costs cannot be awarded in favour of the Corporation if an appeal referred to in clause 25 or 26 is dismissed.
- (2) The Corporation is to pay the appellant's costs on a solicitor-client basis, as determined by the Commercial Tribunal, if such an appeal is successful. If the appeal is successful as to some but not all matters, those costs are payable by the Corporation only to the extent that the Commercial Tribunal determines.

## **30 Members and associate members of Corporation**

- (1) A person who, immediately before the commencement of Schedule 4 (2) to the amending Act held office as a member or associate member of the Corporation ceases to hold that office on that commencement.
- (2) The person is not entitled to any compensation or remuneration because of the loss of that office.

## **31 Continuation of legal entity**

Nothing in the amending Act affects the continuity of the Corporation as continued by clause 4.

### 32 (Repealed)

## Part 4 Provisions consequent on enactment of **Building Services Corporation Legislation Amendment Act 1996**

### 33 Definitions

In this Part:

**amending Act** means the *Building Services Corporation Legislation Amendment Act 1996*.

**assets** means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description (including money), and includes securities, choses in action, and documents.

**Corporation** means the Building Services Corporation as constituted under the *Building Services Corporation Act 1989* immediately before the commencement of Schedule 5 [22] to the amending Act.

**liabilities** includes all liabilities, debts and obligations (whether present or future and whether vested or contingent).

**State tax** means application or registration fees, stamp duty or any other tax, duty, fee or charge imposed by any Act or law of the State.

### 34 Operation of requirements for contracts

Except as provided by this Part, the provisions of Division 1 of Part 2 and Part 2A, as amended by the amending Act, apply to contracts made on or after the commencement of those amendments, whether or not they relate to work commenced before that commencement.

### 35 Rejection of applications on financial grounds

- (1) Section 20, as amended by the amending Act, does not apply to an application for a licence or for renewal of a licence made but not determined before the commencement of the amendment.
- (2) Section 40, as amended by the amending Act, does not apply to an application for renewal or restoration of an authority made but not determined before the commencement of the amendment.

### 36 Disputes

- (1) Part 4, as in force immediately before the commencement of this clause, continues to apply in relation to:
  - (a) conduct that occurred before the commencement, and

- (b) conduct that occurs after that commencement, if the conduct concerns work commenced before the commencement or relates to a contract entered into before that commencement, and
  - (c) disputes arising before or after that commencement in relation to work done before that commencement or under a contract entered into before that commencement.
- (2) A complaint may be made or a show cause notice issued under Part 4, as in force immediately before that commencement in relation to conduct, work or a contract referred to in subclause (1), and the complaint or notice may be dealt with under that Part as so in force.
- (3) The Director-General and the Commercial Tribunal have, in relation to any such complaint or show cause notice and resulting show cause action, the same functions under this Act as the Corporation and the Tribunal had before that commencement, including functions as to rectification orders and determinations.

### **37 Jurisdiction of Commercial Tribunal**

- (1) Part 5, as in force immediately before the commencement of this clause, continues to apply in relation to:
- (a) decisions made before that commencement, and
  - (b) decisions made after that commencement in relation to claims under BSC insurance or by virtue of clause 36.
- (2) Section 89A does not apply to building claims arising out of work done, or contracts entered into, before the commencement of that section.
- (3) Section 89D applies only to a contract for residential building work or specialist work entered into after the commencement of that section.
- (4) In this clause:

**BSC insurance** means a scheme prescribed for the purposes of Part 6 of this Act, as in force immediately before the commencement of Schedule 4 [3] to the amending Act.

### **38 Jurisdiction of consumer claims tribunals**

- (1) The *Consumer Claims Tribunals Act 1987*, as in force immediately before the commencement of this clause, continues to apply in relation to matters arising out of any residential building work or specialist work done, or a contract entered into, before that commencement.
- (2) The *Consumer Claims Tribunals Act 1987*, as amended by the amending Act, does not

apply to a building claim arising out of work done, or contracts entered into, before that commencement (whether or not the claim arose before or after that commencement).

- (3) Section 12K of the *Consumer Claims Tribunals Act 1987* applies only to a contract for residential building work or specialist work entered into after the commencement of that section.

### **39 Former insurance schemes**

- (1) Part 6, as in force immediately before the commencement of Schedule 4 [3] to the amending Act, and any other provisions of this Act or the regulations relating to insurance under this Act as so in force, applies to work insured, or existing work required to be insured, under that Part before that commencement, in the same way that those provisions applied immediately before that commencement.
- (2) The Administration Corporation has the functions of the Corporation in relation to the provisions and the insurance referred to in subclause (1).

### **40 Councils' functions relating to insurance**

Section 102 of the *Local Government Act 1993*, as in force immediately before the commencement of this clause, continues to apply in relation to any approval for the doing of any residential building work given before that commencement or referred to in clause 39 (1).

### **41 References to Act**

On and from the commencement of Schedule 5 [22] to the amending Act, a reference in any Act (other than this Act) or in any instrument made under any Act or in any other instrument of any kind to the *Building Services Corporation Act 1989* is to be read as a reference to the *Home Building Act 1989*.

### **42 References to Building Services Corporation**

On and from the commencement of Schedule 5 [22] to the amending Act, a reference in any Act (other than this Act) or in any instrument made under any Act or in any other instrument of any kind to the Building Services Corporation is to be read as a reference to the Director-General.

### **43 Vesting of assets**

- (1) This clause applies to the transfer of assets, rights or liabilities of the Corporation to the Administration Corporation or to another person under section 110.
- (2) The following provisions have effect (subject to any order directing the transfer):
  - (a) the assets concerned vest in the transferee by force of this clause and without the

need for any conveyance, transfer, assignment or assurance,

- (b) the rights and liabilities concerned become by force of this clause the rights and liabilities of the transferee,
- (c) all proceedings relating to that part of the assets, rights or liabilities commenced before the transfer by or against the Corporation and pending immediately before the transfer are taken to be proceedings pending by or against the transferee,
- (d) anything done or omitted to be done in relation to that part of the assets, rights or liabilities before the transfer by, to or in respect of the Corporation is (to the extent that it has any force or effect) taken to have been done or omitted to be done by, to or in respect of the transferee,
- (e) a reference in any other Act, in any instrument, made under any Act or in any document of any kind to the Corporation is (to the extent that it relates to that part of the assets, rights or liabilities but subject to the regulations) to be read as, or as including, a reference to the transferee.

(3) The operation of this clause is not to be regarded:

- (a) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities, or
- (b) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability.

(4) The operation of this section is not to be regarded as an event of default under any contract or other instrument.

(5) No attornment to the transferee by a lessee from the Corporation is required.

(6) No compensation is payable to any person in connection with a transfer except, in the case of a transfer by order under section 110 (3), to the extent (if any) to which the order giving rise to the transfer so provides.

#### **44 Date of vesting**

A transfer by order under section 110 (3) takes effect on the date specified in the order by which it is effected.

#### **45 State tax**

State tax is not chargeable in respect of:

- (a) the transfer of assets, rights and liabilities under Part 7, or
- (b) anything certified by the Minister as having been done in consequence of such a

transfer (for example, the transfer or registration of an interest in land).

#### **46 Existing licences**

A licence, certificate of registration or permit issued by the Corporation and in force immediately before the commencement of this clause is taken to have been issued by the Director-General under this Act.

#### **47 Payment of money generally**

- (1) Nothing in this Act, the amending Act, or any order made under section 110 (3), prevents the payment to the Consolidated Fund of any revenue or income arising out of:
  - (a) the exercise of the Corporation's functions, or
  - (b) the exercise by the Director-General or any other person of those functions, or any other functions, after the commencement of Schedule 5 [22] to the amending Act.
- (2) Subclause (1) does not apply to money held by the Administration Corporation and not subject to an order under section 110 (3).

### **Part 5 Provisions consequent on enactment of [Home Building Amendment Act 1998](#)**

#### **48 Interest of licensee in land under contract**

The amendments by way of repeal and re-enactment of sections 7D and 16DD made by the [Home Building Amendment Act 1998](#) do not affect the validity of:

- (a) any caveat lodged in accordance with the [Real Property Act 1900](#), or
- (b) any provision in a contract or agreement entered into, before the amendments commenced.

#### **49 Insurance requirements for persons carrying out work for owner-builder**

The amendments to sections 92 and 98 made by the [Home Building Amendment Act 1998](#) do not affect any work for which a contract was entered into before the amendments commenced.

### **Part 6 Provisions consequent on enactment of [Home Building Amendment Act 1999](#)**

#### **50 Pending applications for licences**

- (1) An application for a licence that has been made, but not determined, before the commencement of the amendment to section 19 made by Schedule 1 [2] to the [Home](#)

*Building Amendment Act 1999* is taken to have been made in accordance with section 19 as so amended.

- (2) The Director-General may require the applicant to provide such documentation or information as is referred to in section 19 (2A) to support the application.

## **Part 7 Provisions consequent on enactment of *Home Building Amendment Act 2000***

### **51 Definition**

In this Part:

**amending Act** means the *Home Building Amendment Act 2000*.

### **52 Validation of insurance exclusions concerning developers**

- (1) Any relevant exclusionary provision that would have been a valid provision of a contract of insurance had section 99 (2) of this Act (as inserted by Schedule 1 [5] to the amending Act) been in force at the time the contract was made is taken to have been a valid provision of the contract at the time the contract was made and at all relevant times after the contract was made.
- (2) Subclause (1) applies to proceedings before a court or tribunal that are pending at the commencement of this clause. Accordingly, the rights of the parties to such proceedings are to be determined in accordance with subclause (1).
- (3) Subclause (1) does not affect the judgment of the Supreme Court in *HIH v Jones*[2000] NSWSC 359, or any other proceedings that have been determined by a court or tribunal before the commencement of this clause, as between the parties to those proceedings.
- (4) In this clause:

**relevant exclusionary provision** means a provision of a contract of insurance in relation to residential building work made during the relevant period in accordance with section 92 of the Act that excluded or purported to exclude a developer referred to in section 3A of this Act from making claims under the contract.

**relevant period** means the period commencing on 1 May 1997 and ending on the day immediately before the commencement of Schedule 1 [5] to the amending Act, inclusive.

### **53 Clause 42 of the *Home Building Regulation 1997***

- (1) A provision of clause 42 of the *Home Building Regulation 1997* that would have been a valid provision of that Regulation had section 103C (2) (b) and (3) of this Act (as inserted by Schedule 1 [6] and [7] to the amending Act) been in force at the time the



provision commenced is taken to have been a valid provision of the Regulation at the time the provision commenced and at all relevant times after it commenced.

- (2) For the avoidance of doubt, it is declared that at the time clause 42 (2) of the *Home Building Regulation 1997* commenced and at all relevant times after it commenced:
  - (a) the subclause applied to contracts of insurance required by section 92 or 96 of the Act, and
  - (b) the reference to a developer who does residential building work in paragraph (a) of that subclause is a reference to an individual, partnership or corporation (other than a company referred to in section 3A (3) of the Act) on whose behalf the work is done in the circumstances set out in section 3A (2) of the Act.
- (3) Subclauses (1) and (2) apply to proceedings before a court or tribunal that are pending at the commencement of this clause. Accordingly, the rights of the parties to such proceedings are to be determined in accordance with subclauses (1) and (2).
- (4) Subclauses (1) and (2) do not affect the judgment of the Supreme Court in *HIH v Jones*[2000] NSWSC 359, or any other proceedings that have been determined by a court or tribunal before the commencement of this clause, as between the parties to those proceedings.

#### 54 Offences under amended provisions

- (1) An amended provision as in force immediately before the commencement of a relevant item continues to apply to a relevant offence committed, or alleged to have been committed, before the commencement of that item.
- (2) In this clause:

**relevant item** means an item of Schedule 1 to the amending Act that amends or repeals a provision of this Act that contains an offence.

**relevant offence** means an offence under this Act that is amended or repealed by a relevant item.

#### Note—

Section 30 of the *Interpretation Act 1987* is a general provision preserving rights accruing and liabilities incurred before an amendment or repeal of a provision of an Act or statutory rule.

## Part 8 Provisions consequent on enactment of Home Building Legislation Amendment Act 2001

### 55 Definition

In this Part:

**amending Act** means the *Home Building Legislation Amendment Act 2001*.

**57 Effect of amendments relating to roof plumbing**

The amendments made to section 3 by Schedule 1 to the amending Act do not apply to any work done, and do not affect any contract entered into, before the amendments commenced.

**58 Effect of amendments relating to categories of work**

The amendments made to sections 21 and 27 by Schedule 1 to the amending Act do not apply to contracts entered into before the amendments commenced.

**59 Effect of amendments relating to cancellation, suspension or surrender of contractor licences or other authorities**

- (1) Section 22 (as re-enacted by the amending Act) extends to a contractor licence in force before that re-enactment. Action may be taken under the re-enacted section in relation to conduct or events that occurred before its re-enactment.
- (2) Section 22B (as inserted by the amending Act) extends to a contractor licence in force before the section commenced. Action may be taken under the section in relation to conduct or events that occurred before the commencement of the section.
- (3) Section 47A (as inserted by the amending Act) extends to an authority in force before the section commenced and to an authority suspended, cancelled or surrendered before the section commenced.

**60 Educational qualifications for owner-builder permits**

Section 31 (2) (d) (as inserted by the amending Act) does not apply to an application for an owner-builder permit made before the commencement of the paragraph but not determined before that commencement.

**61 Phasing in of requirement relating to compulsory continuing education**

Section 40 (2D) (as inserted by the amending Act) does not apply to the renewal or restoration of an authority until a date that is one year after the date of commencement of the subsection.

**62 Cooling-off periods do not apply to existing contracts**

- (1) The amendment made to section 7 by Schedule 2 to the amending Act does not apply to a contract entered into before the amendment commenced.
- (2) Sections 7BA and 7BB do not apply to a contract entered into before the sections commenced.
- (3) The amendment made to section 16D by Schedule 2 to the amending Act does not

apply to a contract entered into before the amendment commenced.

- (4) Sections 16DBA and 16DBB do not apply to a contract entered into before the sections commenced.

### **63 Regulation of building consultancy work**

The amendments made to the Act by Schedule 3 to the amending Act do not affect:

- (a) any building consultancy work commenced before the commencement of those amendments, or
- (b) any contract for building consultancy work entered into before the commencement of those amendments or any work done under any such contract.

### **64 Resolution of building claims**

The amendments made by Schedule 4 to the amending Act do not apply to a building claim for which an application had been made for the determination of the claim before the commencement of the amendments. Division 2 of Part 5 (as in force before the commencement of the amending Act) continues to apply to such building claims.

### **65 Disciplinary proceedings**

- (1) The amendments made by Schedule 5 to the amending Act do not apply to proceedings commenced under Part 4 before the commencement of the amendments. Part 4, as in force immediately before the commencement of those amendments, continues to apply to those proceedings.
- (2) The amendments made by Schedule 5 to the amending Act extend to any complaint made before the commencement of those amendments in relation to which proceedings have not commenced.
- (3) A complaint may be made, and disciplinary action or proceedings may be taken under Part 4, after the commencement of the amendments made by Schedule 5 to the amending Act in relation to conduct or events that occurred before the commencement of those amendments.

### **66 Effect of amendments relating to insurance**

- (1) The amendments made to sections 92, 93, 94 (1), 94A (1), 96 and 96A by Schedule 6 to the amending Act do not apply to an insurance contract that is in force at the time of commencement of the amendments.
- (2) Sections 94 (1A)-(1C) and 94A (1A)-(1C) extend to a contract entered into before the subsections commence.
- (3) Section 101A (2) extends to a contract of insurance that is in force at the time of commencement of the subsection.

- (4) Sections 103AA-103AC extend to approvals in force before the commencement of the sections. Action may be taken under sections 103AA-103AC in relation to conduct or events that occurred before the commencement of the sections.

## **Part 9 Provisions consequent on enactment of Insurance (Policyholders Protection) Legislation Amendment Act 2001**

### **67 Contracts of insurance with HIH Casualty and General Insurance Limited and FAI General Insurance Company Limited**

(1) To avoid doubt:

(a) a certificate of insurance provided on or before 20 June 2001 evidencing a contract of insurance in relation to residential building work:

- (i) that was entered into with HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited, and
- (ii) that complied with this Act, and
- (iii) that was in force on 20 June 2001,

is, for the purposes of section 92, taken to be a certificate evidencing a contract of insurance that complies with this Act and is in force in relation to that work, and

(b) a certificate of insurance provided on or before 20 June 2001 evidencing a contract of insurance in relation to the supply of a kit home:

- (i) that was entered into with HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited, and
- (ii) that complied with this Act, and
- (iii) that was in force on 20 June 2001,

is, for the purposes of section 93, taken to be a certificate evidencing a contract of insurance that complies with this Act and is in force in relation to that supply, and

(c) a certificate of insurance provided on or before 15 March 2001 evidencing a contract of insurance in relation to owner-builder work:

- (i) that was entered into with HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited, and
- (ii) that complied with this Act, and
- (iii) that was in force on 15 March 2001,

is, for the purposes of section 95, taken to be a certificate evidencing a contract of insurance that complies with this Act and is in force in relation to that work, and

(d) a certificate of insurance provided on or before 20 June 2001 evidencing a contract of insurance in relation to residential building work:

(i) that was entered into with HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited, and

(ii) that complied with this Act, and

(iii) that was in force on 20 June 2001,

is, for the purposes of section 96, taken to be a certificate evidencing a contract of insurance that complies with this Act and is in force in relation to that work.

(2) To avoid doubt:

(a) a certificate of insurance provided after 20 June 2001 evidencing a contract of insurance that was entered into with HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited is, for the purposes of section 92, 93 or 96, not a certificate evidencing a contract of insurance that complies with this Act, and

(b) a certificate of insurance provided after 15 March 2001 evidencing a contract of insurance that was entered into with HIH Casualty and General Insurance Limited or FAI General Insurance Company Limited is, for the purposes of section 95, not a certificate evidencing a contract of insurance that complies with this Act.

## **Part 10 Provisions consequent on enactment of [Home Building Amendment \(Insurance\) Act 2002](#)**

### **68 Application of amendments**

Subject to the regulations, an amendment to a provision of this Act that is made by the [Home Building Amendment \(Insurance\) Act 2002](#) does not apply to an insurance contract that is in force at the time the amendment commences.

## **Part 11 Building Legislation Amendment (Quality of Construction) Act 2002**

### **69 Definition**

In this Part, **the 2002 amending Act** means the [Building Legislation Amendment \(Quality of Construction\) Act 2002](#).

### **70 Issue, renewal and restoration of licences**

Sections 20 and 40, as amended by Schedule 2.1 [2]-[4] to the 2002 amending Act, do not apply to applications made before the commencement of those amendments.

### **71 Continuation of Division 2 of Part 3A in relation to current building disputes**

Division 2 of Part 3A, as in force immediately before the commencement of Schedule 2.1 [6] to the 2002 amending Act, continues to apply to current building disputes (that is, building disputes that had been notified in accordance with that Division before that commencement) as if that Act had not been enacted.

### **72 Use of expert's building reports**

Section 48N, as in force immediately before the commencement of Schedule 2.1 [9] and [10] to the 2002 amending Act, continues to apply to proceedings on a building claim with respect to a matter that had been dealt with under Division 2 of Part 3A, as then in force.

### **73 Disciplinary action**

Section 62, as amended by Schedule 2.1 [15] to the 2002 amending Act, extends to proceedings commenced before the commencement of that amendment.

## **Part 12 Provisions consequent on [Home Building Amendment Act 2004](#)**

### **74 Definition**

In this Part:

**amending Act** means the [Home Building Amendment Act 2004](#).

### **75 Applications for authorities and renewals and restoration of authorities**

- (1) Sections 20, 25, 32B and 40, as amended by the amending Act, do not apply to an application for an authority or for renewal or restoration of an authority made but not determined before the commencement of the amendment.
- (2) The [Home Building Regulation 2004](#), as amended by the amending Act, does not apply to an application for an authority made but not determined before the commencement of the amendment.

### **76 Disciplinary proceedings**

- (1) The amendments made by Schedule 3 to the amending Act do not apply to proceedings commenced under Part 4 before the commencement of the amendments. Part 4, as in force immediately before the commencement of those amendments, continues to apply to those proceedings.
- (2) The amendments made by Schedule 3 to the amending Act extend to any complaint made before the commencement of those amendments in relation to which proceedings have not commenced.
- (3) A complaint may be made, and disciplinary action or proceedings may be taken under

Part 4, after the commencement of the amendments made by Schedule 3 to the amending Act in relation to conduct or events that occurred before the commencement of those amendments.

#### **77 Exchange of information**

Section 103AD, as inserted by the amending Act, extends to relevant information obtained before the commencement of that amendment.

### **Part 13 Provisions consequent on Home Building Amendment (Statutory Warranties) Act 2006**

#### **78 Proceedings for breach of statutory warranties**

(1) In this clause:

**amending Act** means the *Home Building Amendment (Statutory Warranties) Act 2006*.

(2) Part 2C, as amended by the amending Act, extends to a breach of warranty that occurred before the commencement of this clause.

(3) Part 2C, as amended by the amending Act, applies to and in respect of proceedings to enforce a statutory warranty that are commenced after the commencement of this clause and that are subsequent to earlier proceedings to enforce the same warranty that were finally disposed of before that commencement.

(4) Part 2C, as amended by the amending Act, applies to or in respect of subsequent proceedings to enforce a statutory warranty that were commenced before the commencement of this clause and that have not been heard.

### **Part 14 Provisions consequent on Home Building Amendment Act 2008**

#### **79 Application of amendments**

(1) In this clause, **amending Act** means the *Home Building Amendment Act 2008*.

(2) Section 42A, as inserted by the amending Act, applies in relation to a building claim made after the commencement of that section regardless of whether the claim arises from a contract that was entered into before or after the commencement of that section.

(3) (Repealed)

### **Part 15 Provisions consequent on Home Building Amendment**

## (Insurance) Act 2009

### 80 Definitions

In this Part:

**amending Act** means the *Home Building Amendment (Insurance) Act 2009*.

**contract of insurance** means a contract of insurance entered into for the purposes of Part 6 of this Act.

### 81 Insurance claims arising from suspension of contractor's licence

- (1) Section 99 (3)–(6) (as inserted by the amending Act) apply only to a contract of insurance entered into on or after the commencement of those provisions.
- (2) An insurance contract that is entered into on or after the commencement of those provisions using any existing stock of insurance contract forms is deemed to include the provision required to be included by section 99 (3) (as inserted by the amending Act).
- (3) A reference in clause 73A of the *Home Building Regulation 2004* to section 93 (3) of the Act is taken for all purposes to have been a reference to section 99 (3) of the Act on and from the commencement of that clause.

### 82 Minimum amount of cover

- (1) Section 102 (3A) extends to:
  - (a) a contract of insurance entered into before the commencement of that subsection (despite any provision of the policy), and
  - (b) a claim under any such contract of insurance, and
  - (c) proceedings on such a claim (including proceedings commenced but not finally determined before the commencement of that subsection).
- (2) Despite subclause (1), section 102 (3A) does not extend to or otherwise affect:
  - (a) a claim that was paid in full before the commencement of that subsection, or
  - (b) any agreement made before the commencement of that subsection to settle a claim, or
  - (c) a decision of an insurer made before the commencement of that subsection that cannot be the subject of appeal because of clause 65 of the *Home Building Regulation 2004*, or
  - (d) the amount that a person is entitled to recover under a contract of insurance where that amount was paid before the commencement of that subsection under



the indemnity provided by Division 2 (Insurance claims indemnified by State) of Part 6A of this Act, or

(e) any final determination of legal proceedings made by a court or tribunal before the commencement of that subsection.

(3) This clause applies only to contracts of insurance entered into on or after 1 May 1997.

### **83 Application of amendments to existing insurance policies**

(1) Section 103BA (Limitations on policy coverage—claims made and notified policy) extends to:

(a) a contract of insurance entered into before the commencement of that section (despite any provision of the contract), and

(b) a claim under any such contract of insurance, and

(c) proceedings on such a claim (including proceedings commenced but not finally determined before the commencement of that section).

(2) Despite subclause (1), section 103BA does not extend to or otherwise affect:

(a) a claim that was paid in full before the commencement of that section, or

(b) any agreement made before the commencement of that section to settle a claim, or

(c) a decision of an insurer made before the commencement of that section that cannot be the subject of appeal because of clause 65 of the [Home Building Regulation 2004](#), or

(d) the amount that a person is entitled to recover under a contract of insurance where that amount was paid before the commencement of that section under the indemnity provided by Division 2 (Insurance claims indemnified by State) of Part 6A of this Act, or

(e) any final determination of legal proceedings made by a court or tribunal before the commencement of that section.

(3) This clause applies only to contracts of insurance entered into on or after 1 May 1997.

### **84 Proceedings finally determined**

For the purposes of this Part, proceedings are not **finally determined** if:

(a) any period for bringing an appeal as of right in respect of the proceedings has not expired (ignoring any period that may be available by way of extension of time to appeal), or

- (b) any appeal in respect of the proceedings is pending (whether or not it is an appeal brought as of right).

#### **85 Reduction of liability for failure to enforce statutory warranty**

Clause 58A of the *Home Building Regulation 2004* (as inserted by the amending Act) extends to a contract of insurance entered into before the commencement of that clause, and for that purpose every contract of insurance entered into before that commencement is taken to include provision as referred to in that clause.

#### **86 Repeal of clause 63A of Regulation—period of grace for notifying loss**

- (1) If clause 63A of the Regulation prevented a claim for loss from being made during any part of the loss notification period for the loss, there is to be a period of grace for notifying the loss.
- (2) The period of grace starts on the repeal of clause 63A of the Regulation and continues for a period that is equal in length to that part of the loss notification period for which clause 63A of the Regulation prevented the claim from being made.
- (3) A loss notified to an insurer during the period of grace is deemed to have been notified during the loss notification period for the loss.
- (4) If an insurer has refused a claim on the basis of clause 63A of the Regulation:
  - (a) the insurer must notify the claimant of any period of grace for notifying the loss to which the claim relates that results from the operation of this clause, and
  - (b) the period of grace for notifying the loss concerned starts (despite subclause (2)) when the claimant receives the insurer's notification under paragraph (a) and continues for the period provided for by subclause (2).
- (5) The refusal of a claim for loss on the basis of clause 63A of the Regulation (being a claim that would have been validly made had clause 63A of the Regulation not been made):
  - (a) does not prevent the claimant from resubmitting the claim or submitting the claim as a new claim (without the need to appeal against the decision to refuse the claim), and
  - (b) does not prevent the insurer from proceeding to accept and assess the refused claim as a claim now properly made.
- (6) An insurer is not entitled to refuse or reduce liability on a claim for loss on the grounds of a failure to notify the loss during the loss notification period if the loss is notified during the period of grace.
- (7) The period of grace provided by this clause does not apply in a case in which the loss

notification period ended before the commencement of clause 63A of the Regulation.

(8) In this clause:

**loss notification period** for a loss means the period within which loss must be notified to the insurer under a contract of insurance in order for the loss to be covered by the contract of insurance (as provided by section 103BA).

**Note—**

Section 103BA extends to existing contracts of insurance.

**the Regulation** means the *Home Building Regulation 2004*.

## **Part 16 Provisions consequent on Occupational Licensing Legislation Amendment (Regulatory Reform) Act 2009**

### **87 Refund of application fees for certain authorities**

- (1) This clause applies to an application fee paid by or on behalf of a person for an authority that the person is no longer required to hold because of the amendments made by the *Occupational Licensing Legislation Amendment (Regulatory Reform) Act 2009*.
- (2) A person may apply to the Director-General for a refund of an application fee to which this clause applies if the person:
  - (a) paid the application fee, or
  - (b) is applying for or on behalf of the person who paid the application fee.
- (3) The fixed component of the application fee is to be refunded, on a pro rata basis, to a person who makes an application under subclause (2).
- (4) In this clause:

**application fee** means any of the following:

- (a) an application fee for the grant of a new authority,
- (b) an application fee for the renewal of an authority,
- (c) an application fee for the restoration of an authority.

**fixed component** of an application fee is the amount set out in Column 4 of Schedule 4 to the *Home Building Regulation 2004* in relation to the fee.

## **Part 17 Provisions consequent on enactment of NSW Self Insurance**

## Corporation Amendment (Home Warranty Insurance) Act 2010

### Division 1 Preliminary

#### 88 Definitions

In this Part:

**amending Act** means the *NSW Self Insurance Corporation Amendment (Home Warranty Insurance) Act 2010*.

**existing approved insurer** means an insurer approved by the Minister under section 103A (as in force before the new scheme day) for the purposes of Part 6 of this Act whose approval is in force immediately before the new scheme day, and includes an insurer whose approval has been suspended under section 103AA (as in force before the new scheme day).

**former approved insurer** means an insurer (other than an existing approved insurer) who was formerly an insurer approved by the Minister under section 103A (as in force before the new scheme day) for the purposes of Part 6 of this Act.

**home warranty insurance** has the same meaning as in Part 6 of this Act.

**insurance industry deed** means the agreement referred to in section 103A (5) before its repeal by the amending Act, as in force immediately before the new scheme day.

**new scheme day** means the day on which Schedule 2 [5] to the amending Act commences.

**owner-builder work** has the same meaning as in Part 6 of this Act.

**relevant approved insurer** means an existing approved insurer or former approved insurer.

### Division 2 Authority to provide home warranty insurance

#### 89 Corporation to be only home warranty insurer on and from new scheme day

On and from the new scheme day, the Self Insurance Corporation is the only insurer authorised to issue new home warranty insurance in respect of residential building work or owner-builder work done in New South Wales.

#### 90 Existing approved insurers cease to be able to provide home warranty insurance on and from new scheme day

(1) On and from the new scheme day, any existing approved insurer ceases by force of this clause to be authorised to issue new home warranty insurance.

(2) Subclause (1) extends to the issue of home warranty insurance in connection with any

application for such insurance made (but for which a policy of insurance has not yet been issued) before the new scheme day.

- (3) No compensation is payable by or on behalf of the Crown to any existing approved insurer for any loss or damage arising directly or indirectly from the operation of this clause (or amendments made to this Act by the amending Act).
- (4) Accordingly, no proceedings for damages or other relief (whether grounded on the provisions of any contract or otherwise arising at law or in equity) for the purpose of obtaining compensation in respect of any such loss or damage may be instituted or maintained.
- (5) In this clause:

**compensation** includes damages or any other form of compensation (whether or not monetary).

**the Crown** means the Crown within the meaning of the [Crown Proceedings Act 1988](#) and includes:

- (a) the Director-General, and
- (b) any member of staff of a government Department.

### **Division 3 Provision of information and compliance with insurance industry deed**

#### **Note—**

This Division re-enacts (with necessary modifications) provisions in Part 6 of this Act that were formerly applicable to relevant approved insurers under sections 103AB–103AD as conditions of their approval. Sections 103AB–103AD were repealed by the amending Act. See also clause 97 of this Schedule in relation to civil penalties for contraventions of approval conditions that occurred before the new scheme day.

#### **91 Request for information by Director-General**

- (1) A relevant approved insurer must provide to the Director-General any information about the insurance provided by the insurer under a contract of insurance entered into before the new scheme day to meet the requirements of Part 6 of this Act (as previously in force) that the Director-General requests in writing, within the time specified in the request.
- (2) Without limiting subclause (1), the information required may include information about:
  - (a) claims handling, or
  - (b) the settlement of claims, or
  - (c) particular claimants or insured persons, or

(d) persons licensed under this Act.

(3) The Director-General may, with the consent of the relevant approved insurer who provided it, provide any information obtained under this clause to any other insurer (including the Self Insurance Corporation).

(4) The annual report prepared for the Department of Services, Technology and Administration under the *Annual Reports (Departments) Act 1985*:

(a) must identify all occasions on which information is provided to insurers under this clause during the period to which the report relates, and

(b) must describe the nature of the information so provided (leaving out particulars that identify, or could lead to the identification of, any particular claimants or insured persons).

## **92 Request for information by Self Insurance Corporation**

(1) If a person has applied for home warranty insurance or has been provided home warranty insurance by the Self Insurance Corporation, the Corporation may, by notice in writing, request any relevant approved insurer to disclose to the Corporation any relevant insurance information relating to the person if the Corporation has reasonable grounds to believe that:

(a) the person made an application to the insurer for home warranty insurance before the new scheme day, or

(b) the person was provided with home warranty insurance by the insurer before the new scheme day.

(2) A relevant approved insurer must provide the Self Insurance Corporation with the relevant insurance information requested under subclause (1) as soon as reasonably practicable after the request is made.

(3) In this clause:

**relevant insurance information**, in relation to a person who applied to a relevant approved insurer for, or to whom a relevant approved insurer provided, home warranty insurance means:

(a) information concerning the business, commercial, professional or financial affairs of the person that is relevant to the provision of home warranty insurance, or

(b) information obtained in the course of an investigation of an application for such insurance, or

(c) information concerning the home warranty insurance (if any) provided to the person.

### 93 Continuing insurance industry deed obligations

- (1) A relevant approved insurer must, subject to the regulations, continue to comply with the continuing insurance industry deed obligations of the insurer with respect to home warranty insurance offered or provided by the insurer before the new scheme day.
- (2) For the purposes of subclause (1), the **continuing insurance industry deed obligations** of a relevant approved insurer are:
  - (a) if the insurer is a former approved insurer—such obligations that, by virtue of clause 13.1 of the insurance industry deed, continued to be imposed on the insurer immediately before the new scheme day, or
  - (b) if the insurer is an existing approved insurer—such obligations that would, by virtue of clause 13.1 of the insurance industry deed, continued to have been imposed on the insurer had the insurer's approval been revoked by the Minister under section 103A immediately before the new scheme day.
- (3) Without limiting subclause (2), the Minister may continue to issue (or amend or revoke) Industry Guidelines in the manner contemplated by the insurance industry deed.
- (4) Any Industry Guidelines issued or amended on or after the new scheme day continue to have effect for the purposes of determining the content of the continuing insurance industry deed obligations of a relevant approved insurer.
- (5) The regulations may make provision for or with respect to the continued application of any of the continuing insurance industry deed obligations of relevant approved insurers and the modification of any such obligations.
- (6) In this clause:

**Industry Guidelines** means the industry guidelines within the meaning of the insurance industry deed.

**modification** includes addition, exception, omission or substitution.

### 94 Request for information may extend to information obtained before new scheme day

A request for information made under this Division may extend to information that was obtained before the new scheme day as well as to information obtained on or after that day.

### 95 Civil penalty for contravention of requirement to provide information

- (1) If a relevant approved insurer contravenes a requirement imposed on the insurer by or under clause 91, 92 or 93, the Minister may impose a civil penalty on the insurer concerned of an amount not exceeding \$50,000.

(2) A civil penalty that has been imposed under this clause may be recovered by the Minister in a court of competent jurisdiction as a debt due to the Director-General.

(3) A civil penalty that is paid or recovered is payable into the Consolidated Fund.

#### **96 Protection from liability**

(1) A relevant approved insurer requested to provide information under this Division is required or authorised to disclose the information despite section 121 or any other law of this or any other jurisdiction with respect to the privacy of such information that would otherwise prohibit that disclosure.

(2) A relevant approved insurer is not liable for any damage caused by the provision of information under this Division to the Director-General or the Self Insurance Corporation or any other insurer.

### **Division 4 Miscellaneous**

#### **97 Civil penalties for past contraventions of approval conditions**

(1) Section 103AB (as in force immediately before the new scheme day) continues to apply in relation to any contravention of a condition of an approval under section 103A (as in force before the new scheme day) that occurred before the new scheme day.

(2) Subclause (1) does not authorise the Minister to take action under section 103AB (as continued in force by that subclause) in relation to any contravention of a condition of an approval for which the approval of an insurer has previously been suspended or for which action has previously been taken under section 103AB.

#### **98 Effect of Part and amendments**

(1) Nothing in this Part (or in any of the amendments made to this Act by the amending Act):

(a) affects the validity or enforceability of any contract of insurance entered into by a relevant approved insurer before the new scheme day, or

(b) without limiting section 30 of the *Interpretation Act 1987*—affects the continued application of:

(i) sections 92A, 92B, 99, 101, 101A, 102, 103B and 103BA in relation to contracts for home warranty insurance entered into before the new scheme day or claims made under such contracts, or

(ii) section 103EA in relation to applications for home warranty insurance made before the new scheme day, or

(iii) sections 121A and 127 in relation to matters that occurred or arose before the new scheme day, or



- (iv) the provisions of Part 5 of the *Home Building Regulation 2004* in relation to contracts for home warranty insurance entered into before the new scheme day or claims made under such contracts.

**Note—**

Section 30 of the *Interpretation Act 1987* provides that the amendment of an Act does not, among other things, affect the previous operation of the Act or anything duly suffered, done or commenced under the Act or affect any right, privilege, obligation or liability acquired, accrued or incurred under the Act.

- (2) Subject to the regulations, this Part has effect despite any provision of this or any other Act or any other law or the provisions of any contract, agreement or other arrangement.

## **Part 18 Provisions consequent on Home Building Amendment (Warranties and Insurance) Act 2010**

### **99 Interpretation**

- (1) In this Part:

**amending Act** means the *Home Building Amendment (Warranties and Insurance) Act 2010*.

**interim period** means the period commencing on 17 May 2010 (the date of the decision in the relevant judgment) and ending on the commencement of the amending Act.

**relevant judgment** means the decision of the New South Wales Court of Appeal in *Ace Woollahra Pty Ltd v The Owners—Strata Plan 61424 & Anor*[2010] NSWCA 101.

- (2) For the purposes of this Part, proceedings are not **finally determined** if:
- (a) any period for bringing an appeal as of right in respect of the proceedings has not expired (ignoring any period that may be available by way of extension of time to appeal), or
  - (b) any appeal in respect of the proceedings is pending (whether or not an appeal is brought as of right).

### **100 Application of Part**

- (1) This Part prevails to the extent of any inconsistency with any other provision of this Schedule.
- (2) Regulations made under clause 2 of this Schedule may have effect despite any provision of this Part.

### **101 Relevant judgment and certain other proceedings unaffected**

The amendments made by the amending Act do not extend to or otherwise affect:

- (a) the relevant judgement, or
- (b) subject to clause 102 (3), any proceedings before a court or tribunal that are finally determined, or
- (c) a decision of an insurer or the Building Insurers' Guarantee Corporation made before the commencement of the amendments that cannot be the subject of an appeal because of clause 65 of the *Home Building Regulation 2004*.

### **102 Statutory warranties**

- (1) Section 18D (as amended by the amending Act) extends to a breach of a statutory warranty in relation to residential building work done on land owned by a non-contracting owner under a contract entered into before the commencement of the amending Act.
- (2) A non-contracting owner in relation to a contract to do residential building work on land who is entitled, on and after the commencement of the amending Act, to the benefit of a statutory warranty in relation to work done on the land may enforce the statutory warranty:
  - (a) subject to subclause (3), in proceedings commenced in accordance with Part 2C on or after the commencement of the amending Act, or
  - (b) in proceedings commenced by the non-contracting owner, but not finally determined, before the commencement of the amending Act to enforce the same statutory warranty.
- (3) A non-contracting owner in relation to a contract to do residential building work on land who:
  - (a) is entitled to the benefit of a statutory warranty under section 18D in relation to a particular deficiency in work done on the land, and
  - (b) was found, in proceedings under Part 2C that were finally determined during the interim period, not to be entitled to enforce the same statutory warranty for that particular deficiency solely because the owner was not a party to the contract,may enforce the same statutory warranty in proceedings subsequent to the earlier unsuccessful proceedings that are brought within 6 weeks after the commencement of the amending Act.
- (4) Nothing in this clause authorises or permits a non-contracting owner who was a party in proceedings the subject of the relevant judgment to bring subsequent proceedings

under subclause (3).

**103 Application of amendments to existing insurance policies and claims and proceedings**

- (1) Subject to the regulations, the amendments made by the amending Act extend to any:
  - (a) contract of insurance entered into before the commencement of the amendments (despite any provision of the contract) (an **existing contract**), and
  - (b) proceedings on a claim under an existing contract commenced but not finally determined before the commencement of the amendments.
- (2) Any payment purporting to be made under Part 6 of this Act to a non-contracting owner under an existing contract or to a beneficiary under an indemnity provided under section 103I (1) before the commencement of the amendments made by the amending Act is taken to have been validly made if it could validly have been made if those amendments were then in force.
- (3) This clause applies only to contracts of insurance entered into on or after 1 May 1997.

**Schedule 5 (Repealed)**