

Checklist

Before engaging a builder, consider the following ...

◆ **Licensing**

All builders and trades people must be licensed for the kind of residential building work they do, where the value of work is over \$1,000.

◆ **Contracts**

A written contract must be used for residential building work where the value of the contract (inclusive of labour and materials, even if you are supplying the material), is more than \$1,000.

While it's important to understand your rights under the contract, it's also important to be aware of and understand your obligations, including when you are required to make progress payments.

◆ **Home Warranty Insurance**

If the contract price is more than \$12,000 (including the cost of any materials supplied by the contractor), the builder or tradesperson must give a certificate of home warranty insurance to the home owner, before taking any money on the building contract, and before starting any work.

◆ **Council Approval**

Most residential building work needs council approval before it can start. If you are unsure you should enquire with your local council before entering into a contract, or before any work is started.

◆ **Other Insurances**

You should ensure the builder and any professional involved in your building work have other insurances including:

- Contract works insurance
- Public liability insurance/Workers' compensation insurance

◆ **The Working Relationship**

When undertaking any building work, it should be noted that the project may take a considerable amount of time, so it's important to choose a builder (and their team) with whom you feel you will be able to have a working relationship with for this length of time. You need to feel that you will be able to communicate with your builder and that they will be able to do the same with you.