

The object of this Bill is to amend the *Home Building Act 1989* (***the Act***), the *Home Building Regulation 2004* (***the Regulation***) and the *Civil Liability Act 2002* as follows:

- (a) to consolidate and amend provisions that deal with limitations on when a claim can be made under a policy of home warranty insurance to specify comprehensive arrangements for notifying losses and making claims,
- (b) to provide a comprehensive scheme for determining when residential building work was completed (for the purpose of establishing the commencement date of statutory warranty periods, insurance periods and other periods under the Act),
- (c) to align the statutory warranty periods for home building work with those for home warranty insurance (being 6 years for structural defects and 2 years for other defects),
- (d) to clarify the application of the Act to developers so as to include as a developer the owner of the land on which a developer does residential building work,
- (e) to expand the list of persons who are not required to be beneficiaries under a contract of home warranty insurance because they are “related” to a developer or contractor to include related entities and related parties under the *Corporations Act 2001* of the Commonwealth,
- (f) to raise the threshold for the requirements for written home building contracts from \$1,000 to \$5,000 and to introduce a written “short form” contract requirement for work between \$1,000 and \$5,000,
- (g) to raise the threshold for the requirement for home warranty insurance and a 5-day cooling-off period for residential building work from \$12,000 to \$20,000,
- (h) to reduce the \$500 excess for home warranty insurance claims to \$250,
- (i) to increase the minimum home warranty insurance cover from \$300,000 to \$340,000,
- (j) to extend the statutory dispute resolution process to enable a contractor to notify a dispute with a consumer,
- (k) to provide for the sharing of information between NSW Fair Trading and the NSW Self Insurance Corporation in respect of functions under the Act,
- (l) to exempt a liability arising from breach of a statutory warranty under the Act from proportionate liability under the *Civil Liability Act 2002*.