

FACT SHEET 7 – ENGAGING A REGISTERED BUILDER

CYCLONE SEROJA RECOVERY AND RESILIENCE GRANTS PROGRAM

INFORMATION FOR INSURED PROPERTY OWNERS

The Recovery and Resilience Grants Program offers two types of grants, up to a total of \$20,000, to help insured homeowners impacted by Severe Tropical Cyclone Seroja.

This fact sheet provides information to help you engage a registered builder to undertake works under the Recovery and Resilience Grant.

What is the Recovery and Resilience Grants Program?

Through the Recovery and Resilience Grants Program there are two types of reimbursement grants. The Recovery Grant reimburses insured homeowners who incurred costs because their insurance policy did not cover the total cost of clean-up or repair works. The Resilience Grant reimburses homeowners for building works not covered by their insurance policy to improve the resilience of their residential property against future wind events.

Why do I need a registered builder?

Under the *Building Services (Registration) Act 2011*, only a registered builder can perform particular building work.

Using a registered builder ensures they have appropriate qualifications, knowledge, experience, and business stability.

Any building work that requires a building permit and exceeds \$20,000 must be undertaken by a registered building contractor.

All Resilience Grant activities related to roof construction will require a building permit. A building permit is unlikely to be needed for works relating to garage doors, external doors and window protection.

If in doubt, check with your local government if a building permit is required.

Choosing a builder

When choosing a building service provider, it is worth speaking to more than one builder or business to compare price, quality and service. You can request a list of previous jobs and speak with former clients. Online reviews can be useful, but they may not always be genuine.

You can confirm the builder has a current registration on the **Register of Builders** at <https://www.commerce.wa.gov.au/building-and-energy/find-registered-builder> or call Building and Energy on 1300 489 099.

The Consumer Protection website has general advice about engaging a tradesperson. <https://www.commerce.wa.gov.au/consumer-protection/tradespeople-and-services>

Other websites to check the builder's performance and financial position are:

- <https://www.commerce.wa.gov.au/building-and-energy/disciplinary-and-prosecution-media-releases>
- <https://www.sat.justice.wa.gov.au/> for building-related decisions against the builder.
- Australian Securities and Investments Commission (<https://asic.gov.au/>) to check the company is not in liquidation
- Bankruptcy Register Search through the Australian Financial Security Authority (<https://www.afsa.gov.au/>).

Home indemnity insurance

Registered builders are required to take out home indemnity insurance for projects with a value of \$20,000 or more. This protects owners against financial loss if a builder cannot complete residential building work or meet a valid claim for faulty or unsatisfactory building work because of death, disappearance or insolvency.

In most instances, the insurance policy must cover the residential building work during the construction period and for six years from the date when the building, extensions or renovations are completed and ready for occupation. The builder should provide the homeowner with a copy of the home indemnity insurance policy.

Contracts for home building work

In general terms, *Western Australia's Home Building Contracts Act 2000* (the Act) regulates contracts between the homeowner and the provider of home building services or associated work, where the fixed-price contract for the supply and installation of the goods and services is valued between \$7,500 and \$500,000. The Act applies even if the service provider is not a registered builder.

Under the Act, the building service provider must provide the owner with a copy of the '[Notice for the Home Owner](#)', which summarises the requirements of the Act, before the owner signs the contract. See [Building and Energy's fact sheet](#) for more information on the Act.

Roof structure tie-down upgrades are likely to fall within the values prescribed under the Act and require a written contract.

Owners should consider including in their contract the eligibility requirements for the Resilience Grant such as a reference to the Technical Specification and evidence requirements. Owners can also request suppliers to reference these specifications in a quote.

For example, upgrades to roof structures require homeowners to submit photographs to verify the works have been carried out in accordance with the technical specifications. In this case, the requirement for your builder to capture the photographic evidence during construction can be included in the building contract.

Deposits

Building service providers are allowed to obtain a deposit from the client of no more than 6.5 per cent of the total cost of the work, prior to work commencing. Once the work has started, any progress payments must only be for work actually performed or materials already supplied. For example, a provider cannot demand a progress payment for a garage door that has not been delivered to site unless the cost of that service is less than the values prescribed under the Act, i.e. it is less than \$7,500.

Complaints about building services

The *Building Services (Complaint Resolution and Administration) Act 2011* provides a mechanism to deal with complaints regarding faulty and unsatisfactory building services and home building work contracts (HBWC).

Anyone who believes building services provided are faulty or unsatisfactory, or a provision under the contract for home building work has not been performed, can lodge a building service or HBWC complaint with Building and Energy. Further information on the disputes process can be found at:

https://www.commerce.wa.gov.au/sites/default/files/atoms/files/216948_building_complaint_resolution_web.pdf.

Further Information

Read more about the Recovery and Resilience Grants Program at:

dfes.wa.gov.au/recoveryandresiliencegrants

Contact

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