



# Building Services Authority

# ***MEDIA RELEASE***

9 January 2008

## **Insure building work BEFORE it's done**

The Queensland Building Services Authority (BSA) is concerned that some home owners are being stung by dodgy contractors who are not insuring building work before they commence.

In Queensland, any building work performed by a BSA licensee with a contract value of more than \$3,300 must be insured with BSA before work commences.

There have been recent cases where people have had significant building work performed on their homes, such as kitchen renovations, and the contractor has either failed to pay the required Home Warranty Insurance premium, or has paid the premium after work has been completed.

New act amendments that commenced on 21 December 2007 give BSA greater power to fine contractors who do not pay for BSA insurance.

BSA Acting General Manager Col Wright said BSA's Home Warranty Insurance provides a safety net for consumers if their contractor fails to complete contracted work or performs sub-standard work.

"The insurance provides some of the best consumer protection in Australia with cover of up to \$400,000 for 6.5 years," he said.

"It is a real concern that some licensees are putting themselves and their customers at risk by not insuring their work correctly.

"If a licensee fails to complete work or performs defective work without insurance, it can be a very costly exercise for all those involved."

In the 2006-2007 financial year, BSA issued insurance policies on more than \$10 billion worth of building work. Over 600 new insurance claims have been lodged State-wide with BSA since the beginning of this financial year.

When engaging a contractor to do work on your home, BSA has the following advice:

- Ensure all details of your agreement with the contractor are *written down* in a contract (or in a detailed written quote if a small job) and that you have a copy.
- Make sure the contractor gives you copies of all documents supporting the contract, including plans and specifications, soil tests etc.
- Make sure the contractor pays the insurance premium, and when you receive your Certificate of Insurance from BSA check that the notified contract value is correct. If during the course of construction any contract variations are to

299 Montague Rd, SOUTH BRISBANE Q 4101

POSTAL ADDRESS: Private Mail Bag 84, COORPAROO D.C. QLD 4151

MEDIA CONTACTS: Justin Coomber 3404 3027, 0407 130 287, Justin.Coomber@bsa.qld.gov.au  
Heidi Jones 3225 2996, Heidi.Jones@bsa.qld.gov.au

increase or decrease the contract value, advise BSA so that an appropriate adjustment can be made to your insurance policy.

- Monitor the contractor's work carefully and advise the contractor immediately of problems, both verbally and in writing.
- Don't pay too big a deposit, don't pre-pay or over-pay the agreed progress payments and never pay for incomplete work.
- Always check the work fully before making your final payment.
- Don't rush into a decision. Take time and seek advice. The *Domestic Building Contracts Act 2000* gives you a "cooling-off" period of five business days to consider your decision and change your mind.

"If you have any questions about building or renovating, or find yourself in dispute with a contractor, please contact BSA on 1300 BSA BSA or visit [www.bsa.qld.gov.au](http://www.bsa.qld.gov.au)."

299 Montague Rd, SOUTH BRISBANE Q 4101

POSTAL ADDRESS: Private Mail Bag 84, COORPAROO D.C. QLD 4151

MEDIA CONTACTS: Justin Coomber 3404 3027, 0407 130 287, [Justin.Coomber@bsa.qld.gov.au](mailto:Justin.Coomber@bsa.qld.gov.au)  
Heidi Jones 3225 2996, [Heidi.Jones@bsa.qld.gov.au](mailto:Heidi.Jones@bsa.qld.gov.au)