

# MEDIA STATEMENT

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## **Simpler, more flexible building contracts benefit all**

From 1 July, contracts for residential building work will be more flexible and easier to use.

The new contracts, developed by the Queensland Building and Construction Commission (QBCC), will benefit home and property owners as well as industry members.

Acting Commissioner of the QBCC, Kellie Lowe, said the changes improved fairness and equity and helped to create a level playing field for all parties to the contract.

“The changes clearly specify the minimum requirements for domestic building contracts in Queensland,” Ms Lowe said.

There will be different contractual requirements for domestic building work based on the work’s value.

A ‘Level 1 Renovation, Extension and Repair Contract’ will apply to lower-value domestic building work. A ‘Level 2 Renovation, Extension and Repair Contract’ will be used for work of \$20,000 and over and there will also be a revised ‘New Home Construction Contract’.

For Level 2 contracts and the ‘New Home Construction Contract’, a Consumer Building Guide must be provided by the contractor to the client prior to signing a contract. The guide gives key information to homeowners on their rights and obligations, and the building process generally.

Before work starts, the contractor must also provide the owner with the start date and the date for practical completion.

“More information and a simpler system will protect home owners against contractors seeking excessive deposits or taking advantage of consumers’ inexperience in negotiations,” Ms Lowe said.

Another contract change enables contractors to charge a larger deposit where the value of the work performed off-site is more than 50 per cent of total contract price, such as with pre-fabricated homes or kitchen construction.

A maximum deposit of 20 per cent of the contract price will be permitted to address concerns that the standard 10 per cent deposit does not cover the costs incurred in the off-site construction phase.

“The reforms reflect the ideas and suggestions of many industry members, as well as the general community,” Ms Lowe said.

ENDS

**Connect with us:**



Contact: Brian Bolton

Manager, Communications

Queensland Building and Construction Commission

[brian.bolton@qbcc.qld.gov.au](mailto:brian.bolton@qbcc.qld.gov.au)

Phone (07) 3225 2996