CBS Submission on the Building Amendment Bill

Supporting Stronger Consumer Protection While Ensuring New Zealand Gets the Implementation Framework Right
Transport and Infrastructure Committee
August 2026

Part 1 – Executive Summary, About CBS and CBS Position

Executive Summary

CBS supports the Government's objective of strengthening consumer protection and the replacement of joint and several liability with proportionate liability. Our submission is not about whether reform should occur; it is about ensuring the framework used to deliver mandatory residential building warranties is practical, sustainable and capable of achieving the Government's objectives.

What We Support

- Replacing joint and several liability with proportionate liability.
- Stronger consumer protection for homeowners.
- Higher professional standards.
- Greater confidence in the residential construction sector.

CBS Position

CBS believes mandatory residential building warranties should be delivered through an insurance-backed scheme with Government oversight. We do not support a model that relies primarily on industry membership organisations or on an untested private warranty market. In our view, a Government-backed insurance framework provides the greatest opportunity to deliver long-term stability, consistent consumer protection and fair access for competent builders.

About CBS

CBS is a member-owned co-operative representing more than 2,200 shareholder building businesses across New Zealand and Australia. Established in 2018, CBS supports independent builders through collective purchasing, supplier partnerships, business support and advocacy. The majority of members are small and medium-sized businesses that will be directly affected by the proposed warranty framework.

Part 2 – Main Submission

Our Main Concern

CBS supports mandatory residential building warranties. Our concern is that the proposed implementation model assumes the private market will develop accessible, affordable and sustainable warranty products for competent builders without sufficient evidence that this will occur. If warranty products are not widely available, competition may reduce, costs may increase and homeowner choice may be affected.

Why the Queensland Home Warranty Scheme Deserves Consideration

MBIE's Regulatory Impact Statement confirms that officials discussed Queensland's government-administered home warranty scheme with the Queensland Building and Construction Commission. However, MBIE also states that detailed analysis of warranty options was outside the scope of that assessment and was to be completed later. CBS recommends that this analysis be published, including a clear comparison between Queensland's statutory, not-for-profit scheme and New Zealand's proposed private-provider model, before mandatory warranties are implemented. In Queensland, there is a clear pathway for newly qualified builders to establish their own business and there is clarity of the criteria required at each step in this pathway.

Questions the Committee May Wish to Consider

- Will competent builders of all sizes be able to obtain warranty cover?
- Is there sufficient insurer appetite and long-term market capacity?
- Will reduced competition increase costs for homeowners?
- Where is the pathway for newly qualified builders to establish their own business?
- Is the proposed transition period sufficient once eligibility criteria are known?
- Where is the analysis of the Queensland approach? The Regulatory Impact Statements note engagement with Queensland, but do not contain the detailed comparison of warranty options that CBS considers Parliament should see before implementation.
- What are the workforce implications if builders leave the industry or New Zealand? Queensland already has a significant shortage and will be an attractive destination for small builders if they are uncertain if they can continue to do large renovations or new house builds in NZ.

Financial Strength of Warranty Providers

CBS believes that any insurer, underwriter or warranty provider approved to participate in a mandatory residential building warranty scheme should be required to demonstrate ongoing financial strength. This should include an independent financial strength or credit rating from a recognised ratings agency, such as S&P Global Ratings, or an equivalent recognised assessment framework.

Actuarial reporting and audit requirements are important, but CBS does not consider these safeguards alone sufficient for a mandatory scheme on which homeowners may rely many years into the future. Approved providers should be independently assessed, regularly reviewed and transparent to the public.

If builders are required to demonstrate their financial capacity before receiving warranty approval, the organisations carrying the warranty risk should also be required to demonstrate their capacity to meet future claims. CBS recommends minimum financial strength requirements for all approved warranty insurers, underwriters and providers, with ongoing independent assessment and public disclosure.

Part 3 – Survey, Recommendations and Conclusion

CBS Survey and Insurer Feedback

Feedback from CBS members and discussions with insurers and brokers indicate broad support for stronger consumer protection, alongside concerns about access to warranty products, insurer capacity, transition time and transparent eligibility criteria. Final survey statistics and supporting insurer feedback in appendices.

Recommendations

1. Support the introduction of proportionate liability.

2. Publish and consider MBIE's detailed analysis of warranty delivery options, including a clear comparison between Queensland's statutory, not-for-profit scheme and New Zealand's proposed private-provider model, before mandatory implementation.

3. Demonstrate implementation readiness before mandatory commencement.

4. Publish transparent builder eligibility criteria and establish pathways for new builders.

5. Require ongoing monitoring and an independent review within two years.

Conclusion

CBS supports the objectives of the Building Amendment Bill. Our submission focuses on ensuring that the delivery framework is as robust as the legislation itself. We encourage Parliament to adopt a framework that protects homeowners, supports competent builders, maintains competition and reflects lessons from successful international models. CBS believes mandatory residential building warranties should be delivered through an insurance-backed scheme with Government oversight. We do not support a model that relies primarily on industry membership organisation’s or on an untested private warranty market.

Appendices

- CBS Member Survey
- Details of Queensland approach to registered builders and Warranties
- CBS Manifesto Link - https://combinedbuildingsupplies.com/nz/advocacy/

CBS Member Survey – Proposed Home Warranty Scheme

204 responses

Publish analytics

Which best describes your business?

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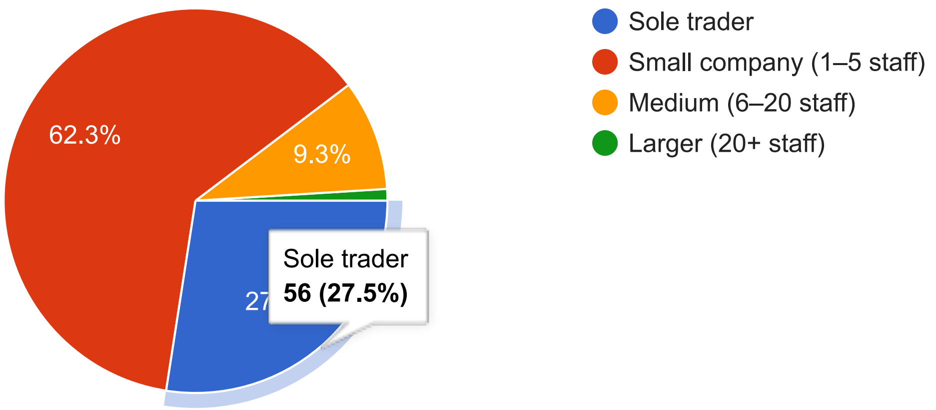
204 responses



How many renovations do you complete each year over $100,000?

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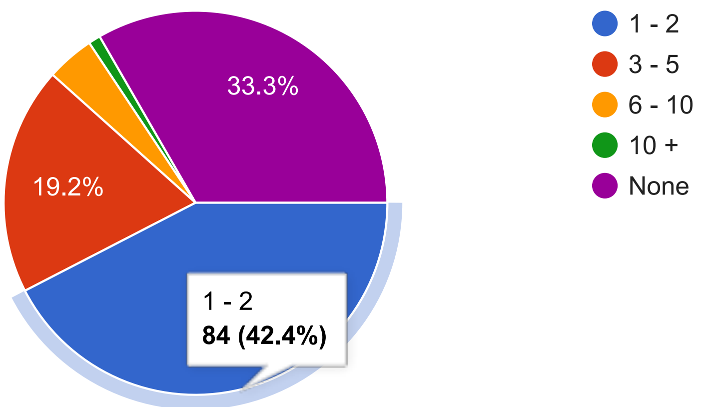
198 responses



How many residential builds do you complete per year?

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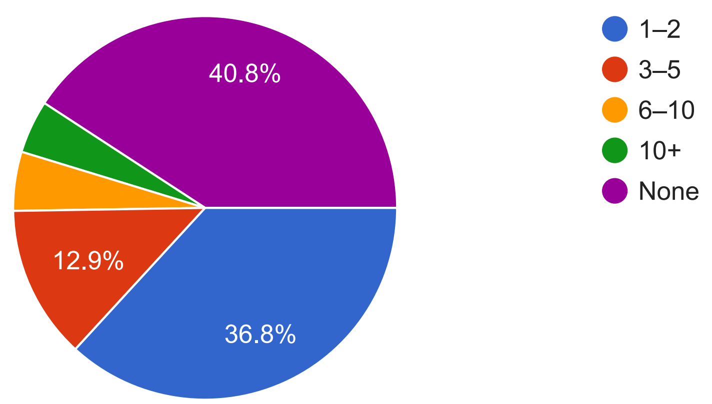

Before today, were you aware of the proposed mandatory home warranty scheme?

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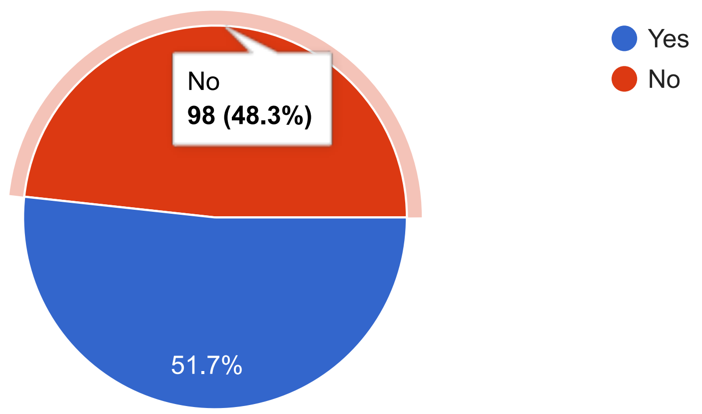

Do you currently offer any form of warranty/guarantee to clients beyond legal requirements?

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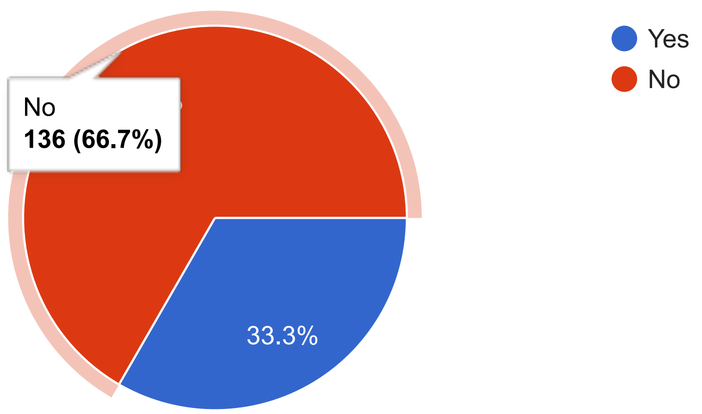

What concerns you most about qualifying for a warranty provider? (Select all that apply)

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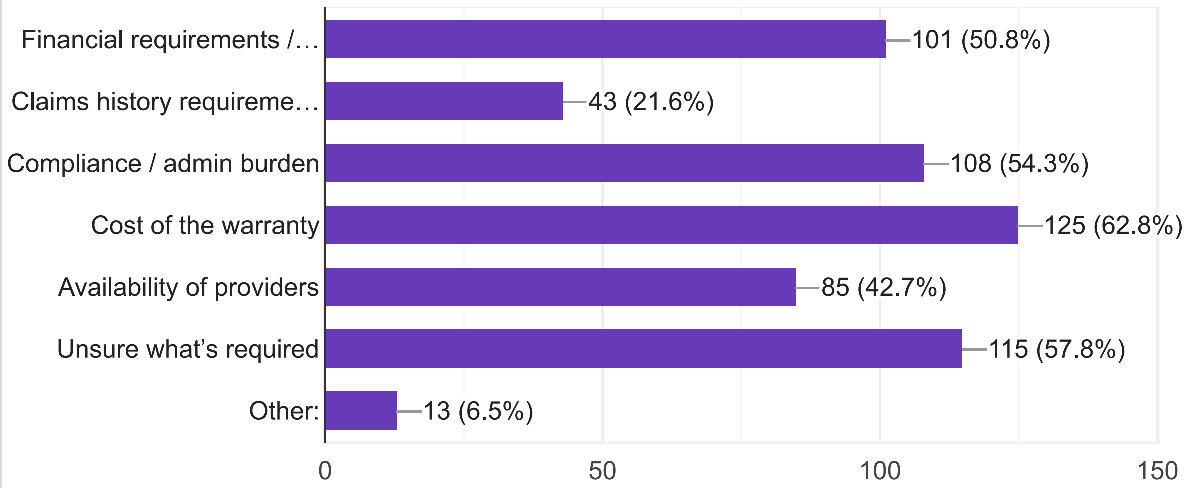

Based on what you know, do you believe you would qualify for a registered warranty provider under the proposed system?

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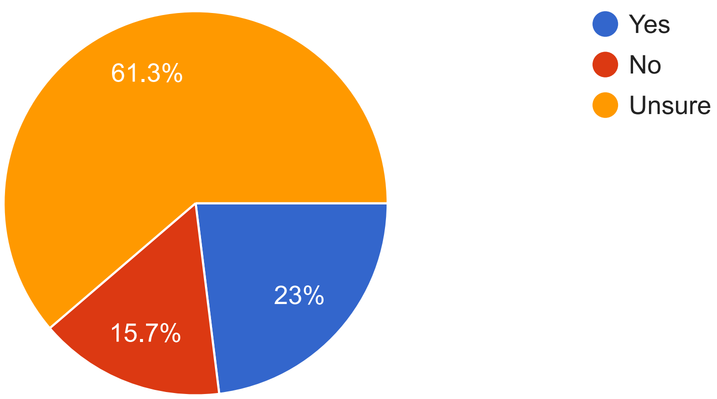

If a mandatory warranty added cost to each build, how would you respond?

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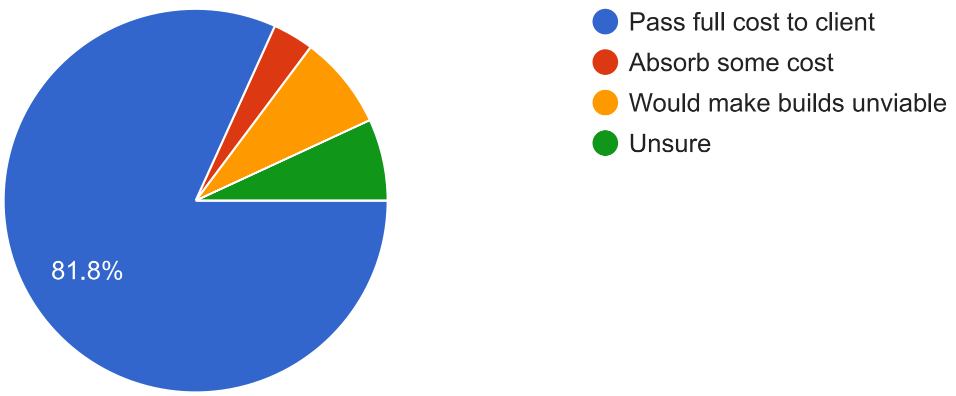

Which organisations are you currently a member of? (Select all that apply) Builders are currently represented across multiple organisations.

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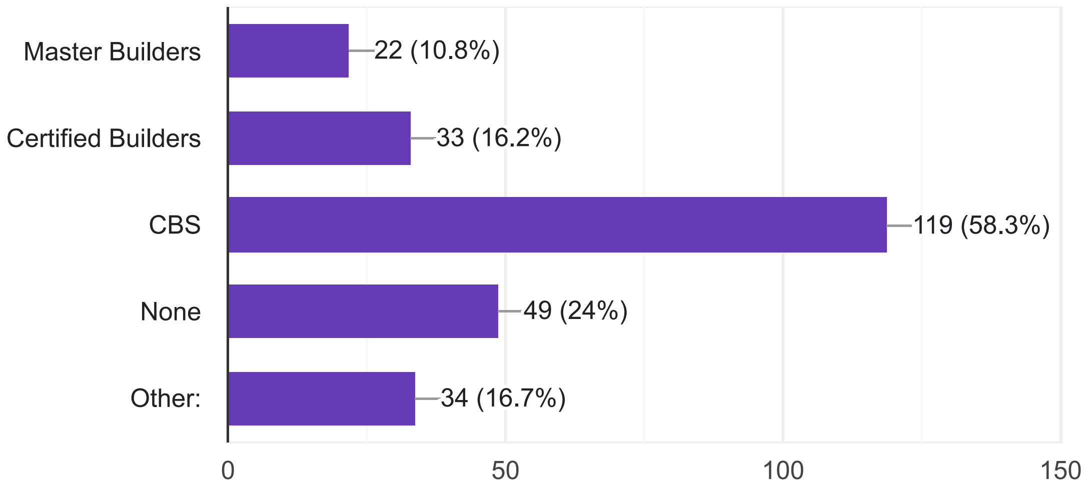

If similar criteria (Proven trading history, Financial viability, Formal qualifications (e.g. LBP/carpentry)) are required under the proposed scheme, how likely is it that you would be excluded from accessing a warranty provider?

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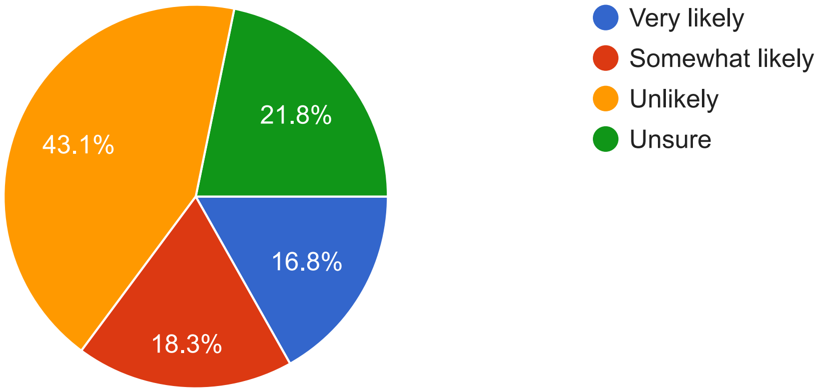
202 responses



What would be the main reason you may not meet these criteria? (Select all that apply)

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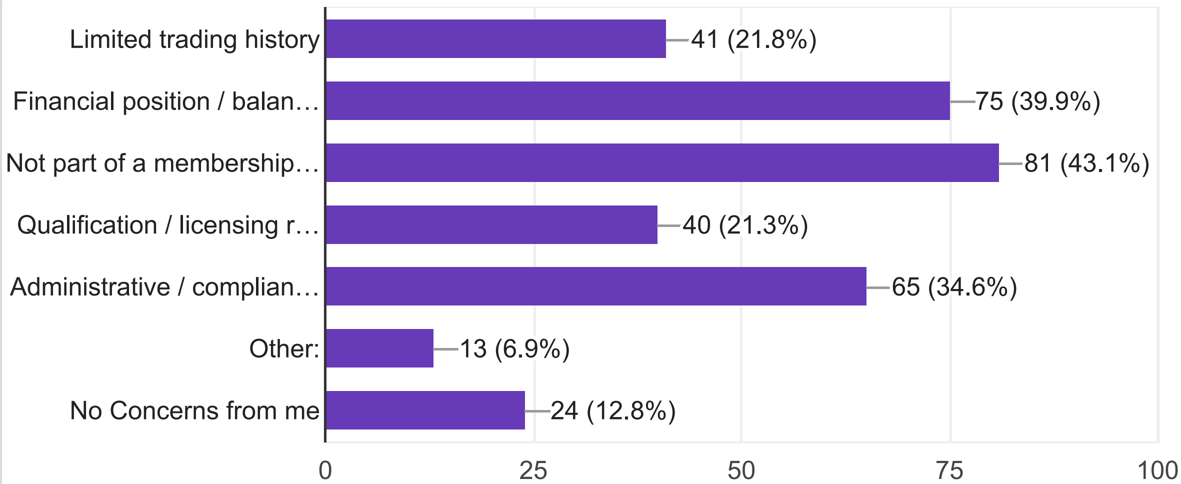
188 responses



If you were unable to access a warranty provider, what would you do?

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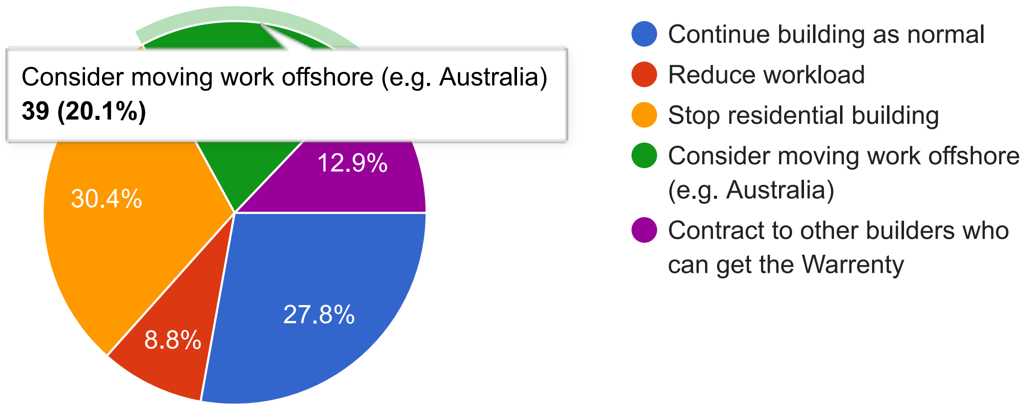
194 responses



Do you support the proposed mandatory home warranty scheme in its current form?

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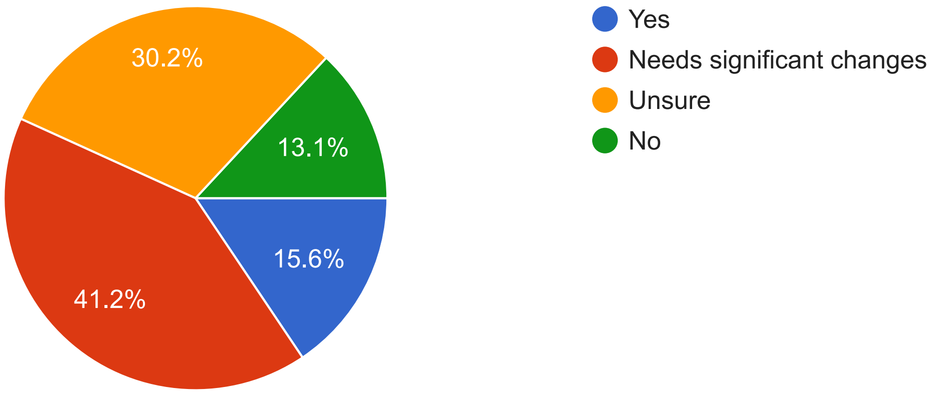
199 responses



Is there any thing else you would like to provide / say ?

76 responses

No

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Good builders are being penalised and the cowboys are still going to be there .At the moment I know of a number of builders who are getting out of the trade especially the ones who are reaching retirement age. As it stands now when you get out of the trade you could still be liable for anything that goes wrong for the next 10 years. Leaky homes was a classic example. Not much of an incentive to stay in the trade

who's the local Vbs members in New Plymouth

Building in nz is to hard they won’t cheapest price best work! We look after the whole sit on lowest rate! The government and big franchises costantly refer to us as the problem but really your gj Stonewood etc are the problems! The deliberately mislead to get big margins as v.o they change scope and not rates!!

Iv been building Almost 20years….. the sqm rate they pay us is the same as when I was apprentice… that’s no lie look it up we earn the same amount as when houses that cost 300,000 now cost 750 800 850,000 so if that’s the case 120 a sq should be 240 but remains 120! A builder (a real builder) should go on interview with your gj and ask why house use to be 1000sq now 3000sq but builders rate is 120 at 1000 and is still that at 3000 banks make it hard as they encourage people to go with housing groups as it’s safer🤣🤣 they have no idea

Certainly making building more.expensive short term, maybe better long term. Unsure...i believe if it reduces territorial authority costs then it is positive...many non linear variables to consider

My main concern would the ability to get cover for the mandatory warranty due to the companies financials. As I operate under a company but am the sole employee, if I have downtime or work on personal projects obviously that affects the income of the company even though I am not really at risk of not paying my debts to suppliers/ sub trades etc. But I am unsure of what financial targets have to be met, so I don't know if I would be accepted or not. In terms of qualifications, workmanship quality, ability to run a build I have no issues, that is what I am best at, its the business side which I am weaker at, as I tend to have word of mouth clients so I end up pricing on the lower side as I try to keep costs down for them.

If you are a good quality tradesman then you are not going to have an issue

I haven’t read the scheme to have an opinion on it. From my experience it should be an optional insurance a client takes out and chooses to pay for not a compulsory added cost that will really come to the builder. I have insured spec builds (which are no benefit to me while building the home but was hoping to be a sales point to a potential purchaser) the underwriter has then gone under and I had to pay again for the warranty/insurance. I was getting warranty’s through Builtin Insurnace and then come the covid downturn they discontinued them as they perceived risk of builders going bust too high, this is when we needed the insurance the most! It gave clients protection in a volatile market. I plan to never get another warranty insurance again unless doing a client build that they request it and pay the direct cost. Banks also sometimes request a warranty on builds that are on progress payments which is annoying. I guess if this scheme goes through it may make it more affordable with more competition from insurance companies providing it. Currently there are only master and certified builders that offer it. At Least Builtins insurance was a payment per house and didn’t require a yearly member fee

I have not had any notification about this u til now. Please send me relevant information.

I am a designer and was about to ignore this survey (you did send it to me) but decided to fill in what I could because this affects designers as much as builders. The result of this, as I see, is increased compliance and cost which in turn would result in the higher cost of building. I myself am near retirement and would not sign up to any liability insurance given the limited amount work that I now do. I would cease to provide my services as I suspect would others. This would affect the builders that I now work with as they would be forced to go to larger design firms which would probably charge them or their clients substantially more. I hope I have outlined a potential situation that would affect the entire building chain, not just those on the tools.

Gardner/landscaping

I am not a builder I make furniture

We contract our LBP staff so am unsure if we would quality under the proposed scheme without an LBP staff member or director.

This should not provide a barrier for smaller operators. A Master Builders membership is $1600+gst for business with turnover less than $500k. This is an overhead that can easily be factored into the way you price. If you are a business that is unlikely to be accepted by a warranty provider, you should be questioning the way you operate and make changes.

As long as you are licensed your license number should be all that is required to find a warranty

I build spec houses on the side as a business, I use labour only builders to build them for me and they manage it. I would simply move my investment to Australia

Yes, I think it’s a good thing to protect people. But the risk of insurers and underwriters possibly becoming gatekeepers to the industry is daunting, again it’s tough as a small business, standards are great and we try our hardest on every project. But if warranty access becomes mandatory, and is a more measurable percentage of revenue, especially during weak economic periods like the past few years, I think it would drive us out of trading in the residential space, or look to our other service of commercial flooring contracting.

It may have been a good idea to place a link to the new building warranty legislation bbeing proposed as part of the email. Anyhoo I will search it out and read it in the near future.

Too many cowboys needs regulation

Yes, you didn't provide a no button in the previous question. So it's a no from me in any form. The cost placed on the end user continues to rise

The New house owner needs to be insured for everything. Houses already have a warrant through product failure etc.

I havent looked closely at the warranty requirements but I would have thought that your requirement as an LBP would cover any warranty sort of requirements and furthermore the clients' access to disputes resolution and the sort.

Looking at the insurance side of things to enable being able to do projects requiring warranty provider, the additional costs really aren't worth the hassle and costs of going through the process. Also I have only found one insurance company that offers the required cover. Being a small company with only three of us, all it takes is clients late in paying to screw over the balance sheets for us small operators, suffocating cash flow.

Im not a master builder or a cert builder because I dont need to be and the fees to be those are not viable in my opinion; those groups want me to join and pay and im saying no from my end. Some new customers are worried when im not a master or cert builder because they think it means your substandard based on public marketing etc.
I hope this mandatory warranty rule doesn't force us into being master or cert; I shall do some reading now.

Client are really poorly protected which allow bad building practices with no consequences. Builders should be responsible for their work for 10 years and insurance is then needed in this situation.
It will improve work quality altogether.

Legislation generally does not help the consumer rather provides costs and hassles for all.
This serves only to create more government

why are small builders always being hit in the pocket for the stupidity of clowns who appear to have no idea

Stop residential building

If there were less unwearth products ,less dream arcitects etc. What was the point of the LPB ?
This warranty is a SCAM.headed by the madeger home builders.

If you were unable to access a warranty provider, you need to take steps to comply with the requirements - like get formally qualified and engage with business training.
This change is a good thing and should help to increase the professionalism and quality of the sector and remove race to the bottom, cowboy outfits.

It seems to me that everything is being over regulated to the point small 1 man bands like myself will get pushed out as had happened in many other industries. It is all about propping up the big players and revenue gathered and shitting on the little players. In my opinion.

I previously had insurance for this through builtin , they stopped doing this for unknown reasons to me,

It is good to offer a warrantee. But 100k is to low of a margin..Th
ey should up the value to at least a million so they dont kill the smaller guys

I feel the building industry needs a complete overhaul and needs to align more with master plumber and electrical line to give builders that are qualified our true worth

As a developer I can see some issues as to who takes responsibility for warranty claims

Something does need to change, and an insurance warranty does sound like the best way to proceed. But it is sounding like it will be quite time consuming for owner operators.

If this does come into play then should the lbp scheme be scrapped?

Concerns for stress carried on business owner. Licensed yes. Council take $ and check so just as liable.

It is a great thing for industry, good builders
can join NZCB or MB, small cost for small businesses with great support and than access warranties

Lawn mower contractor

Im not convinced it’s enforceable to all, and we already know some comply and many more don’t !

This country is all about corporate companies not small companies it’s pretty dia out there no money really in it if you price to make money you won’t get the project

Train apprentices better (I have met some pretty average qualified builders) and the future work will be better so less need for this extra cost and fluff

My suspicion is that this warranty scheme will force small and even medium size operators out of the market and enforce a one size fits all standardization of our industry. This will result in less creativity in design and innovation. This is particularly concerning as only the top end sector of the market will be able to afford this type of skill and expertise.

What your propsing in my view is scaring your members rather than embracing being part of good organisations, Ive been with NZCB for 13 years as a business owner, we’ve always had a

home guarantee, its easy to pass on, its good customer protection, this should be about educating your members not scaring them into a place where they cant work.
Our industry has been unregulated for too long, the LBP scheme is a sham, we have a pathway for new business members who want to join NZCB, they only barrier as I see it , people are too stuck in their ways. The financial stability threshold maybe hard but we dont know the full extent of that. My view is it will lift the industry up.

This seems like an absolutely terrible idea if it is also required for small jobs/ renovations

As long as it it done correctly it will make a clear definition between a reputable building company that has always worked hard and a ghost company or a company that is not trading correctly and undercutting proper businesses.

I Have been a small building firm for 40 years never had workmanship issues or job completion problems. I would just stop employing and revert to small jobs solo. I can understand the need to protect consumers but target the cowboys

How about businesses supporting registered Owner builders

(Previously written for my Link In page)

Compulsory Guarantees and the Hidden Trap for Builders

Compulsory guarantees are, in my view, a positive step for the residential building industry.

That may not surprise anyone, given my position. For too long, builders have been prosecuted simply for being present. Joint and several liability has meant that even when responsibility clearly sits elsewhere, builders are often pulled into disputes because, as some judges have openly acknowledged, "it is unpalatable that the builder contributes nothing."

Against that backdrop, the move toward proportional liability under the proposed Building Act amendments should be cause for celebration. If you're a competent, conscientious builder who attends properly to defects and maintenance, responsibility should finally sit where it belongs. What isn't your fault, is no longer deemed to be your fault.

On paper, that sounds like progress.

But where are the fish hooks?

No matter how experienced or diligent a builder is, things do go wrong. We all encounter difficult clients—the outliers who are determined to manufacture a dispute. Then there are the genuinely unforeseeable situations that catch even the most seasoned operators off guard. Eventually, a disagreement arises.

Under the new framework, an owner may choose to bypass the dispute process entirely—rightly or wrongly—and make a direct claim on their compulsory guarantee. The guarantee provider has little choice but to respond.

Here's the concern: what happens if the guarantee provider misunderstands the dispute, or simply chooses not to engage with the builder's position? The builder can quickly find themselves sidelined—effectively left standing on the runway while all the planes depart.

More troubling still, what if the owner and the guarantee provider settle the matter without the builder being meaningfully involved? In that scenario, the guarantee provider has effectively acted as judge, jury, and executioner. And if the guarantee company later decides to pursue the builder to recover costs, the imbalance of power becomes very real—think 800-pound gorilla versus sole operator.

The practical risk is this:
even a diligent, innocent builder facing a claim may now find themselves dealing with two adversaries instead of one.

That's not an argument against compulsory guarantees—but it is a warning that the detail matters. Without proper safeguards, a reform intended to improve fairness could quietly introduce a new layer of risk for the very people it's meant to protect.
Written by Paul Reed (c)

Maybe govt can supply a one stop warranty provider through Kiwibank

We are fencers, who also build small rural structures, so not sure if this even affects us

I am unclear how difficult it would be for me now or in the future to access a warranty. I do not know what the financial requirements are eg business holding certain reverses? I am LLC with no staff, licensed and have a strong trading history (16 years) and good financials however this may not be sufficient to access a warranty - this is unclear to me. How is a home warranty administered if a client raises an issue several years after the build or Reno is completed.

Your final question should have an 'unsure' option. 'No' and 'Needs significant changes' are the same answer.

I'm in home maintenance work. small renovations bathrooms that sort of things.

I don't see any issue what so ever. I think it will up the game of many and weed out the cowboys. I see no downside

None

I don't understand what you mean about a warranty provider or scheme.

Don't we as builders cover our own work under the consumer guarantees act, and or go back and put right things if in fact they are wrong?
Im a solo self employed LBP builder, what am I not up to speed on?
It also raises the question; if all our consented builds are stage inspected and passed surely the BCA has to cover the warranty. As qualified builder we aren't allowed or able to make make any decisions on building. Architects, designers, inspectors , planners and the building code directly control what a builder can and can't do,,,, as I see it.
It seems it going to open a can of blames game worms.
Cheers

We have seen a significant number of knee jerk reactive polices over the years, some work, others have failed, the real question is,: “will the next government accept the changes that will be needed? Or will they like last time do nothing, as only labour can and will do to improve this…

Last 3 questions need extra options -
Q11: "not applicable / no concerns"
Q12: "other:", "contract to other builders", "change the type of work I pursue"
Q13: "Unsure" or "I haven't read and understood the proposal properly"

I think it is good if there are some challenges to new trading entities being able to obtain warranties as there are plenty of people that start up and close up too often and leave a mess behind them. Those people should have more hoops to jump through or higher costs to pass on to the client or consider absorbing.

I also think that this move is not likely to increase quality of product or professionalism as it will simply be seen as another cost to pass on to clients (ultimately ALL costs are passed onto clients even if not directly) which makes building more expensive and gives builders another layer to hide behind ("don't worry, thats what the insurance is for!").

Seems like a move toward self certification for builders by changing one of the safety nets being from councils to private insurance. I'm opposed to self certification for builders because the industry is not ready for it - we are largely still only seeing minor improvements from introducing the LBP scheme. Still lots of bad practice and clients getting screwed over.

However, if this is not part of a pathway towards self certification and is instead a standalone response to clients being screwed over by bad operators, then yes I do support the requirement. It would make building more expensive and potentially have a negative impact on my business but hopefully big picture, homeowners will be better off.

Leave it as it is now

Please block this law, it will basically halt my plans to get into spec building so ill be forced to move to aus.

It will be great if this come through. Its way to easy to get a lbp and/or take on projects that you do not have the capacity to do.

Aus has a much more rigorous licenseing scheme and thats what fundamently bring up quailty, professionalism which results to better wages.

Builders in new zealand have such a bad rap, this is why you see a few massive housing companys dominate the industry.

Theres such massive diffrences between builders. But if you get a plumber or sparky, your normally fine and not in for any horror storys.

All above is my 2 cents haha.

If the Government requires to bring these changes to place, they must first ensure that warranties are accesible and affordable to all builders. There is currently limited availability of warranties (3) and these require membership with Master Builders or Certified Builders.

Master Builder and Certified Builders only represent builders and from my experience never work in the interests of the homeowner despite the perception that they are a government based entity to protect the interests of homeowners. To the contrary, I have seen Master Builders threaten enough to encourage the homeowner back off. Furthermopre, Master Builders do not in anyway guarantee the builder is of a quality suggested. I have inspected many Master and Ceritfied Builders work which is far from meeting the minimum standard. These clubs are not Government associated, but clubs protecting builders.

The Government like to quote the NHBC in the UK as a similar scheme. This is not comparable. I have been a member of the NHBC which does not require the extensive requirement as NZ. The NHBC provides 10 year build guarantees to self builds as well as builders without the limitations these similar schemes offer in NZ and, in case of self build, do not require membership of a builders club/body. The NHBC guarantee are substantially cheaper and affordable whereas in NZ they are very costly. The NHBC do the consenting and inspection and charges fees substantially lower than BCA's in NZ. The NHBC acts as the equivalent of the BCA in NZ and does all the inspections which is not what the warranty providers in NZ do. It is suggested Warranty Providers may wish to have their own inspection regimes but such systems are not present here, are costly to set up and need to be accredited under the Building Act. Should this be ran in conjunction with using a council BCA, the costs would be substantial increased to the expensive local authority BCA consents and the warranty inspections.

The government shut down over night independant building assessors over two decades ago, and without notice. This adds to companies being cautious setting up private BCA's as the risk is still present which is another suggestion of the Government, private inspections. Under the Building Act, private companies can be accredited but this is vastly expensive, a time consuming process and is set up to discourage participation outside of Local Government.

I have resisted joining the Master Builders and Certified Builders as they are not there to protect homeowners, but are there to represent builders as discretely stated on the MB website. I eventually made an effort to join MB and I received a call from Master Builders telling me I was over qualified and as such my acceptance would not be welcome by other builders. I have a long history of building quality homes, a strong financial standing, am a qualified Building Surveyor, Licensed Building Designer, Licensed Builder and Licensed for site. I suspect the real reason for refusal, never given in writing, was that I have represented a number of clients were Master Builders were not accepting claims for review for legitimate defects. As such I am locked out of Master Builders. I also do not have the very specific qualification for Certified Builders despite building for 36 years and prior to this, and many yeats whilst still at school, worked with my father who was a builder. I have built new homes, extensions, converted a church in the UK and have worked on many projects most people dream of. I have trained in an Architects Office and have studied a degree and worked as a Building Surveyor, a more diverse role for UK qualified surveyors. I have been Team Leader of Building Consents. Despite this, I will struggle to get warranties under this scheme.

As such I am locked out of building if a warranty is mandatory under the current proposals. Unless the Government provide incentives and backing/guarantees to increase the numbers of the greatly diminished warranty providers in NZ then the scheme will fall flat on its face. Maybe the Government could provide its own warranty scheme. If they believe it is viable for private providers, then it should be viable for the government.

Unless this scheme is thought out in more detail, building work will increase substantially making it unviable. The current market is seeing diminished building work due to costs. The construction of new homes will suffer as a result. This is a rushed proposal and ill thought out which is nothing more than a plublicity stunt and effort for the Government to reduce its risks with cosenquences to the industry unless it is more throughly reviewed.

Schemes like this that will create huge(potentially negative) shifts in the industry, need to go through rigorous discussion and processing as to what implications it will have on people across the whole board

There are so many unknowns

Worried that too much of the council and regs constantly change ;standards materials etc.. too keep up with everything is not humanly possible.Councils don't even know their own standards and then if /when more overseas materials are introduced then it just becomes impossible. I see it as the govt offloading and not knowing what they are actually doing

I am very concerned that mandatory warranties will limit the ability of new builders to enter the market and also skilled/qualified tradespeople who not trading or are employees to be able to undertake projects on their own properties. There are a lot of very skilled people out there with no trading history that will be affected by this.

I think there is a place for warranties and they should feature strongly in the prescribed client checklist, I do not think they should be mandatory.

I have recently spent a lot of time trying to become accredited as I understand when the law changes, building consent will not be issued without warranty details. I have provided a brief run down below:

I am a licenced builder with 25 years experience, 15 years in site & project management. I have most of my experience as an employee. I also do a lot of self funded large projects (200k+) on my own properties.

I have applied for membership with Master builders, Trade Guaranty & surety Ltd through Builtin brokers and Certified Builders. I am unable to show any trading history to apply for any mandatory warranty cover as I own all the houses I work on.
Certified Builders were the only organisation that was able to help me due to my references.
Master Builders told me to come back with 3 years trading history - How do you get this when you cannot trade without being able to offer a warranty?
Trade Guaranty & surety Ltd application forms were confusing & mainly based on turnover & trading history. I could only fill in half the form & the broker helping me was hopeless and unable to answer any of my questions so I gave up with them.

I have now started a company contracting to clients, for the main reason of having a trading history to be able access warranties. This is not something I wanted to do, but felt it was the only path for me to be able to continue my trade. I do not want to contract to the public and would not have taken this path without the law change as I only want to work on/undertake self funded projects.

Stop it !

I don't think the claimed justifications for introduction of a home warranty scheme add up.

QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION

BUILDER–LOW RISE APPLICATION GUIDE

INCLUDING ASSESSMENT OF EXPERIENCE

EFFECTIVE MARCH 2026

CONTENTS

BACKGROUND

About this document

This application guide is a resource for helping applicants understand what is needed in their applications in order for the QBCC to be satisfied that they meet both the technical qualification, and experience requirements, specific to the Builder–Low Rise contractor or nominee supervisor licence types.

The information in this document reflects the legislation made by government including the *Queensland Building and Construction Commission Act 1991* (the Act) and the Queensland Building and Construction Commission Regulation 2018 (the 'Regulation'). The QBCC does not create or maintain the legislated requirements. The QBCC performs the function of applying the legislation including assessing applications for licences to ensure proper standards are maintained within the building and construction industry.

Role of a Low-Rise Builder

As a low-rise builder, **you are responsible for overseeing and managing all parts of the construction project** within the licence scope. This includes ensuring projects:

- comply with statutory and regulatory requirements; and
- meet contractual obligations, industry standards and follow best practice.

These responsibilities are essential for achieving quality outcomes and play a critical role in safeguarding the health and safety of occupants, workers, and the broader community.

To do this effectively, builders need a strong understanding of construction processes, techniques, materials, and technologies to guide projects toward completion and deliver a safe, compliant, and satisfactory product delivery.

KEY RESPONSIBILITIES:

- **Scheduling and coordination**: Builders schedule and coordinate different trades, ensuring all work is completed safely, on time and to proper standards. They act as the principal contractor, the main point of contact for coordinating and supervising all trade activities during construction, particularly managing the interfaces between trades, which is where many defects commonly arise.
- **Managing subcontractors**: Builders manage and supervise subcontractors such as plumbers, electricians, and carpenters, ensuring contracts are in place, payments are transparent, and quality documentation is maintained to ensure that accountabilities are clear
- **Project management**: Builders ensure all aspects of the project progress smoothly and according to the projected timeline. They oversee all aspects of the construction process, including procurement, budget management, and progress reporting, ensuring projects meet design specifications and legal requirements.

Scope of work

The scope of work covers all the work you can undertake with a Builder–Low Rise licence:

- Building work on a class 1 or class 10 building.
- Building work on classes 2 to 9 buildings with a gross floor area not more than 2000m^2 but not including Type A or Type B construction.
- Building work consisting of non-structural work on a building, regardless of:
    - » the class of the building
    - » the gross floor area of the building.
- Prepare plans and specifications if the plans and specifications are:
    - » for the licensee's personal use
    - » for use in building work to be performed by the licensee personally.
- Temporarily until 2 May 2030—for the building work described above, install, and maintain:
    - » fire collars, fire-rated penetrations, and fire-rated joint sealing
    - » fire and smoke walls and fire-rated ceilings.

TECHNICAL QUALIFICATION REQUIREMENTS

The technical qualifications for licensing are set by the Department of Housing and Public Works and can be found at the Business Queensland website. The qualifications needed are periodically reviewed and can change from time to time.

Currently, to obtain a contractor or nominee supervisor licence type within the Builder–Low Rise licence class applicants need to hold:

- a Certificate IV in Building and Construction (CPC40120); or
- a qualification the QBCC considers **at least** equivalent to the course mentioned above.

What do I need to submit for an equivalent qualification or historical qualification consideration?

Applicants wanting the QBCC to recognise a qualification as being at least equivalent to the Certificate IV in Building and Construction (CPC40120) qualification should make sure their application includes a copy of the completion certificate and an official academic transcript evidencing the units/subjects completed as part of the course of study; or

For university qualifications awarded prior to 2013—an official course transcript and a certificate of completion (if available), as well as a description of the subjects completed (course outcomes), will need to be provided to the QBCC to enable an equivalency assessment.

The QBCC has dedicated staff specifically trained in assessing course equivalency, and providing this supporting information enables a proper comparative analysis. **Please note** that although qualifications sit within different hierarchical levels within the Australian Qualifications Framework, equivalency in this context is determined by comparing the course content against that of the prescribed qualification. For example, a degree in engineering or architecture, while hierarchically superior, would not be considered at least equivalent to the Certificate IV in Building and Construction.

HISTORICAL QUALIFICATIONS

If you have completed or hold an historical qualification, the QBCC may accept the qualification. Historical qualifications **may** include:

- a recognition certificate issued under the repealed *Vocational Education, Training and Employment Act 2000* as a builder qualified to carry out the scope of work for the licence class that has not been cancelled
- a qualification or statement of attainment of required competency for the class of licence.

EXPERIENCE REQUIREMENTS

Experience timeframes

To apply for a Builder–Low Rise licence you need:

- **two years of experience** in the scope of work for the Builder–Low Rise (or work the QBCC considers equivalent) **if you have a trade qualification in carpentry or bricklaying and blocklaying**;

or

- **four years of experience** in the scope of work for the Builder–Low Rise **if you do not hold one of those trade qualifications.**

NOTE: Under the legislation only carpentry or bricklaying and blocklaying trade qualifications result in reduced durational requirements.

What experience to provide

To gain suitable experience the QBCC expects that your primary role was as the full-time engaged site supervisor on each site. Your experience must include supervising work through the different stages and subtrades of the project.

NOTE: Experience as a leading hand or supervising a single trade is generally insufficient unless you can show that your primary role and main responsibility was supervising the full construction process as a site manager.

CONSTRUCTION STAGE	
PRELIMINARY BUILDING STAGE	
Experience in submitting plans for approval (including assuring appropriate documentation has been prepared to the standards and approvals as required)	
Dealing with engineers, designers, building certifiers, workplace health and safety etc.	
Preparing contracts	
Developing safety plans	
BASE STAGE	
Applying site surveys and set out procedures to building and construction projects	
Managing earthworks	
Supervising footings and concrete slab/timber base of building	
Supervising the installation of initial services	
FRAME STAGE	
Supervising framing contractors and understand the requirements of the same	
Supervising truss/roofing contractors	
Supervising and understanding rough-in of service	
Duplex—Fire Separation Wall Construction (60/60/60)	
Applying applicable construction principles	
ENCLOSED STAGE	
Supervising window and cladding installations and requirements	
Bushfire zones constructions/methodology and requirements	
FIT OUT STAGE	
Supervising finishing trades such as joiners, plumbing, electrical, plastering and painting, tilers, cabinet maker	
PRACTICAL COMPLETION STAGE	
Manage statutory requirements, dealing with certifier and engineers during the construction process	
Conducting defect inspections	
Submitting documentations for final approval	
PROJECT MANAGEMENT	
Managing projects for the construction of a class 1–9 building, including coordination of the trade contractors	
Administration services experience, including managing associated finances, e.g. quotes, invoicing, tenders, timely financial management, contracts, administration, lodging forms and applications	
Implementing safety management systems	
Waste management for residential projects.	

Note: Red indicates the mandatory experience examples.

Broadly, you will have demonstrated experience in the scope of work for the Builder-Low Rise licence if you have supervised and managed the following:

- the construction of **new class 1 buildings**, or
- the construction of **new class 2–9 buildings** within the scope of work for a Builder-Low Rise licence, or
- the construction of **new class 2–9 buildings** within the scope of a Builder-Medium Rise or Builder-Open licence, provided the applicant has demonstrated experience supervising the construction from site set out to completion.

It is recommended you do not rely entirely upon experience with renovations, additions or similar. It is necessary to adequately demonstrate you have the necessary experience across all construction stages. Renovations and additions typically do not involve all facets of construction within the Builder–Low Rise scope of work.

References to support your application

WHO SHOULD BE YOUR REFEREES?

Ideally, the licenced builder responsible for the projects in your examples would be your referee. The QBCC checks referees to make sure they have the right qualifications and licences for the experience being assessed. They also look at the relationship between the referee and the builder on-site to ensure the reference is credible.

For each experience example you provide, include the details of a referee who:

- held a licence or qualification at the same (or higher) level than the Builder–Low Rise licence class you are applying for
- was a qualified builder or principal contractor on the project and was actively licensed as a builder at the time
- can confirm your onsite experience by signing the referee declaration in the experience record on your licence application.

Other experience examples

If you would like the QBCC to consider experience gained from other types of construction work, you will need to provide the additional information and supporting documentation. The details you submit must clearly demonstrate your involvement across all stages of the work from site set out through to completion.

Once your information is submitted, the QBCC will then assess your experience based on the material you have provided.

Renovations and additions

Experience with renovations, additions, or other scenarios, that are not a new construction within classes 1–9 may be relevant if it involves a structural alteration or work impacting the building's compliance with the NCC. In these cases, you may be required to provide supporting information demonstrating your appropriate experience. This may include, providing material explaining the project's complexity.

Class 10 Building work

Experience gained from building Class 10 structures can be considered as part of your overall background. However, this should not be relied upon exclusively, as Class 10 projects generally lack the complexity of Class 1 buildings. It is essential you provide evidence of experience covering all stages of construction associated with Class 1 structures (refer to the Construction Stage table above).

PREFERRED PATHWAY TO GAIN EXPERIENCE

Site supervisor pathway to gain experience

There are different pathways for meeting the experience requirements, including variations in the required duration of experience depending on the qualifications you hold.

For experience based in Queensland, the recommended approach is to first obtain a site supervisor licence. Possessing this licence indicates that you have completed units of study specifically focused on the supervision and management of building projects, giving assurance that your oversight and coordination work meet the required professional standards.

However, it is not a legal requirement to hold a site supervisor licence before gaining the necessary experience. The experience can still be lawfully obtained and verified as meeting the required standard, although this process may take longer due to a greater reliance on referees and other supporting information.

OPTION 1: STARTING WITH A QUALIFICATION

1. Carpentry or Bricklaying and Blocklaying technical qualification (completed through apprenticeship or RPL)
2. Study Certificate IV in Building and Construction (Building) CPC40120.
3. Apply for and obtain a QBCC Builder—Low Rise Site Supervisor licence. This will enable you to lawfully supervise building work as an employee within the building low-rise scope of work.
4. Obtain at least 24 months full-time experience in the Builder—Low Rise scope of work as an employee.
5. Apply for and obtain a Builder—Low Rise contractor or nominee supervisor licence.

OPTION 2: STARTING WITH NO QUALIFICATION

1. No qualification in Carpentry or Bricklaying and Blocklaying.
2. Study Certificate IV in Building and Construction (Building) CPC40120.
3. Apply for and obtain a QBCC Builder—Low Rise Site Supervisor licence. This will enable you to lawfully supervise building work as an employee within the building low-rise scope of work.
4. Obtain at least 48 months (4 years) full-time experience in the Builder—Low Rise scope of work as an employee.
5. Apply for and obtain a Builder—Low Rise contractor or nominee supervisor licence.

What if I do not hold a site supervisor licence prior to gaining my experience?

For the QBCC to be satisfied that your experience is sufficient and meets the required standard, it is important to provide clear explanations of the work you carried out (as outlined earlier in this guide), along with reliable means of verifying those claims.

If the projects you have submitted as experience were completed under a licensed builder for this class of building or higher, and that builder is able to verify your experience, this will generally result in a faster assessment process.

In situations where you did not hold a site supervisor licence, deeper analysis/verification of your experience claims with the employing builder may be required.

On rare occasions, it may not be possible to easily verify experience. In such cases, a licensing officer may seek alternative methods of verification.

ASSESSING YOUR EXPERIENCE

How will the QBCC assess my experience?

Each individual site is unique and your experience on each site will go through a detailed assessment. This includes calculating project timeframes, reviewing all documentation and evidence, and contacting your referees to verify the statements given.

To assess your application for a Builder–Low Rise licence, the QBCC will evaluate:

EXPERIENCE ACROSS EACH PROJECT:

- Was the construction work within the acceptable standards defined by the relevant regulations and building codes (builder class, rise in storey, type of construction, fire rating and project description)?
- Was the construction work you performed or supervised within the acceptable scope for a Builder-Low Rise licence?
- Is there enough detail to demonstrate your role, responsibilities, and the project timeframes?
- Does it include details on your involvement in supervising different stages of construction, project management, and quality control?

Key verification is typically done with the head contractor for the sites listed in your experience usually your employer and often a QBCC licensee. They can confirm essential details such as the dates, location, type of building work, your role, and your working relationship with them.

If this verification is not available, supporting evidence to confirm the responsible builder and verify the accuracy of your claims is required. For example, you might be able to include evidence that:

- verifies the builder, site, and project commencement date—such as copies of building contracts
- confirms timeframes through inspection stages—such as building permits across different stages of the project
- verifies your role and confirms your connection to the builder—such as copies of employment contracts and payslips.

The QBCC may rely on third-party information to verify building sites. Examples may include information obtained from Google Maps and RP Data, which can provide satellite imagery and property data to corroborate the existence of construction sites and activities.

How to calculate your experience timeframes

The QBCC counts experience by calendar months at a full-time capacity to ensure you meet the required competency standards. A good way to calculate whether you have enough experience is to add the total number of individual calendar months your experience covers.

OVERLAPPING EXPERIENCE

The QBCC appreciates that there may be times when projects overlap. If you seek to rely on projects with overlapping experience, the QBCC may ask you to provide further evidence to help decide how your experience should be calculated.

If further material does not adequately explain the overlapping experience, then overlapping projects will not be counted separately as the two- or four-year duration will not have been met.

Example: You are a site manager working full-time for your employer on the projects below:

- Project 1 timeframe—January 2024–March 2024
- Project 2 timeframe—February 2024–June 2024

Total experience timeframe evidenced is six months.

PROJECT DURATIONS

The QBCC may require supporting material to support the amount of experience claimed for a project.

If the relevant supporting material cannot be produced to support the amount of experienced claimed, the QBCC may not count the entire amount claimed or at all.

OTHER APPLICATION REQUIREMENTS

In addition to meeting the technical and experience requirements, to be entitled to a licence, you must also demonstrate that you:

- are a fit and proper person to hold the licence
- satisfy the minimum financial requirements for the licence (i.e. contractor applicants only)
- can lawfully work in Queensland
- are not an excluded individual for a relevant event or a permanently excluded individual
- are not a disqualified individual
- are not a banned individual
- you do not have an unpaid judgment debt for an amount the QBCC may recover, relating to a payment made under the statutory insurance scheme.

Further information on **fit and proper person** assessments can be found on the QBCC website.

LIMITATIONS ON ACCEPTABLE EXPERIENCE

Experience the QBCC generally does not accept

Generally, the following types of experience are not **recognised** as they do not demonstrate sufficient responsibility for quality and compliance on a project, and are not supervised by an appropriate licensee:

- ✕ Experience that does not meet the standards of an appropriately licensed person (for example, unlawful building work)
- ✕ Unpaid experience (for example, volunteering)
- ✕ Experience gained as an owner builder or supervised by an owner builder
- ✕ Experience gained as part of a training course
- ✕ Experience supervising a single trade (e.g. leading hand carpenter only engaged to supervise and perform carpentry work)
- ✕ Experience as a trade contractor within the scope of a trade **licence** (e.g. concreter)

The table below demonstrates differences between experience of a site manager and a trade contractor.

	DOES NOT MEET REQUIREMENTS FOR A BUILDER-LOW RISE LICENCE	MEETS REQUIREMENTS FOR A BUILDER-LOW RISE LICENCE
RESPONSIBILITIES	✕ Specialise in a specific area of construction (e.g. plumbing, HVAC) ✕ Performs specific tasks or installations as assigned by the contractor or site manager ✕ Work on-site alongside other trades people to complete tasks according to the project timeline and specifications ✕ Seeks and takes direction from the leading contractor or site manager ✕ Not responsible for the completion of the project	✓ Oversee the entire construction project from start to finish ✓ Manage and coordinate all site activities, including scheduling, budgeting ✓ Ensure compliance with safety regulations and building codes ✓ Interpret construction plans and liaise with architects, engineers and subcontractors ✓ Resolve issues that arise during construction
SKILLS	✕ Technical proficiency in their trade ✕ Understanding of codes and regulations relevant to their trade ✕ Attention to detail and problem-solving abilities ✕ Ability to work effectively within a multi team environment	✓ Effective communication ✓ Project management and leadership ✓ Problem-solving and decision making ✓ Broad understanding of all construction aspects including codes and regulations ✓ Ability to manage multiple tasks simultaneously

NOTE: If upon assessment the QBCC is not satisfied you meet the requirements, you may be requested to provide further information within a reasonable time frame. Typically, a request would be made by email, telephone call or both. Please ensure correct contact details are entered into applications.

If, after enquiries, the QBCC remains unsatisfied the requirements are met, you will receive a refusal letter outlining:

- the reasons for the decision
- your rights including allowing you to request a review of the decision through either the QBCC's Internal Review Unit or the Queensland Civil and Administrative Tribunal (QCAT).

Need more information?

Visit **qbcc.qld.gov.au** / call **139 333** / write to **PO Box 5099, Brisbane Qld 4001** /

P0150_02/26

QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION

QUEENSLAND HOME WARRANTY SCHEME

PRODUCT DISCLOSURE

For residential construction work contracts since 28 October 2016

JULY 2025

QUEENSLAND HOME WARRANTY SCHEME OVERVIEW

Residential Construction Work Over $3,300

Time limits for claims:

- Incomplete works:
  2 years from:
  - work starting
  - the contract date if no work has started.

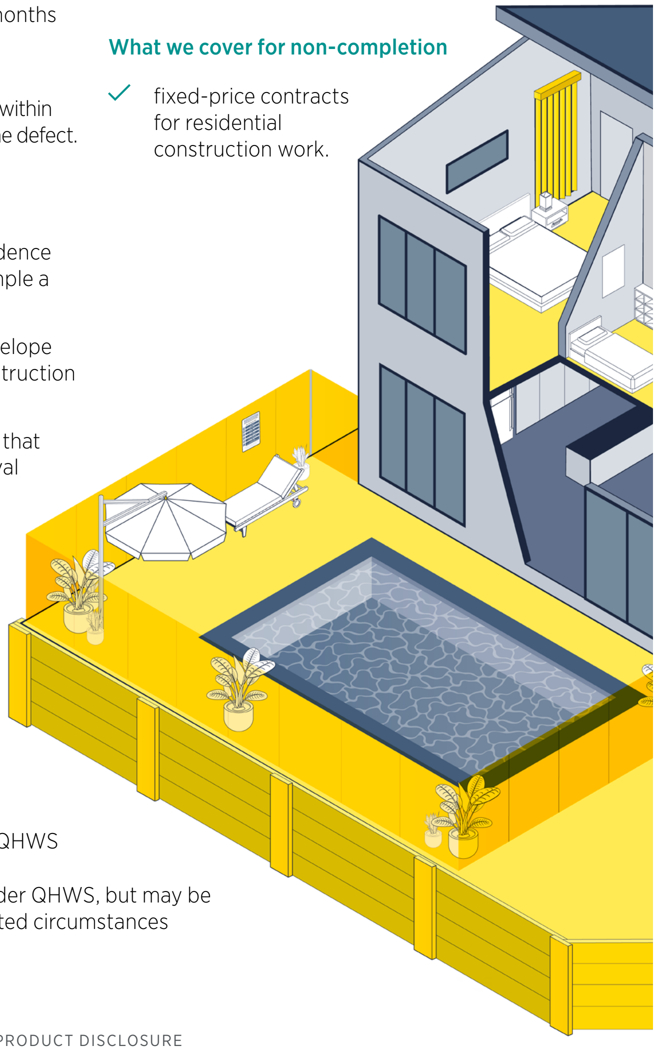
  Must lodge within 3 months of the contract end date.
- Non-structural defects:
  6 months and must lodge within 7 months after work is substantially complete.
- Structural defects:
  6 years and 6 months and must lodge within 3 months of first becoming aware of the defect.

What we cover for defects

- ✓ the erection or construction of a residence or a related roofed building (for example a private garage, shed or carport)
- ✓ building work within the building envelope of these buildings (e.g. painting, construction of patio)
- ✓ anything attached to these buildings that requires building or plumbing approval
- ✓ anything attached to these buildings that is not supported by anything else (e.g. awnings or handrails)
- ✓ anything attached to these buildings that is used for water supply, sewerage, drainage or stormwater
- ✓ a verandah or deck attached to these buildings
- ✓ stairs or a ramp providing access to these buildings
- ✓ work to support these buildings (e.g. replacing stumps)
- ✓ limited structural defects in the erection, construction or installation of a swimming pool.

What we cover for non-completion

- ✓ fixed-price contracts for residential construction work.



Covered for defective work under QHWS

Not covered for defective work under QHWS, but may be covered for non-completion in limited circumstances

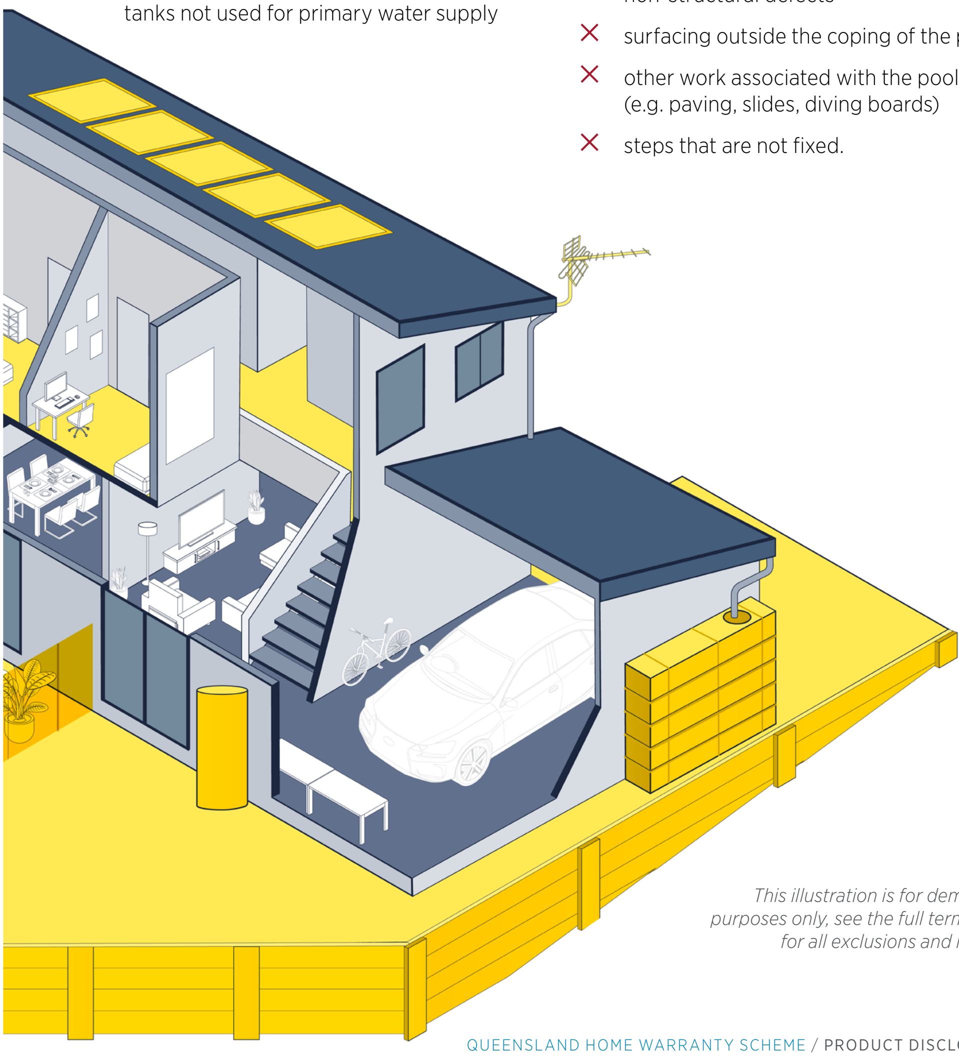
Not covered

The following work is not covered for defects:

- fire alarm systems, scaffolding, curtains, blinds, internal shutters, carpets, floating floors, vinyl, earthmoving and excavating, laying asphalt or bitumen, insulation, insect screens
- electrical appliances, including air conditioning
- cubbyhouses, doghouses, shade sails, phone or data cables, water meters, water tanks not used for primary water supply
- construction of a slab that does not include construction of a building on top of it
- driveways, paths, fences and landscaping
- any associated insurable work (see definitions).

For pools, there is no cover for:

- non-structural defects
- surfacing outside the coping of the pool
- other work associated with the pool (e.g. paving, slides, diving boards)
- steps that are not fixed.



This illustration is for demonstrative purposes only, see the full terms of cover for all exclusions and limitations.

CONTENTS

ABOUT THIS DOCUMENT

The Queensland Home Warranty Scheme Product Disclosure is a summary of cover for contracts signed on or after 28 October 2016.

The full terms of cover are provided in the *Queensland Building and Construction Commission Act 1991* (QBCC Act), Part 5 and the *Queensland Building and Construction Commission Regulation 2018*, Part 6 and Schedule 6.

This summary should be read in conjunction with the full terms of cover. Key terms are highlighted in bold, with their definitions provided at the end of the document.

Who is the QBCC?

We're Queensland's building and construction regulator. That means we ensure the people constructing our homes and workplaces are licensed, and those doing the wrong thing are caught out, so they don't cause harm to others. We also guide and support anyone involved in the building process, whether they're a seasoned builder or tradesperson, a new apprentice or a homeowner tackling a renovation. But we are more than just a regulator, providing a safety net to homeowners through our nation-leading home warranty insurance. We take our responsibility seriously because we have a big role to play in protecting lives and livelihoods.

The Queensland Home Warranty Scheme (QHWS)

The Queensland Home Warranty Scheme (QHWS) is a not-for-profit statutory insurance scheme self-funded through premium payments and administered by the QBCC to cover home owners for loss suffered if their licensed contractor (or another individual where there is fraud or certain representations are made) fails to complete contracted works or rectify defects.

Assistance is also provided in specific circumstances for loss associated with incomplete work that has been damaged by fire, storm, vandalism or theft.

What does the QHWS cover?

The QHWS provides cover for **residential construction work** in Queensland valued at more than $3,300 (including labour, materials and GST). Not all building and construction work is covered (see page 7 for exclusions and limitations).

Who does the QHWS cover?

The QHWS covers home owners who enter into a contract with a licensed contractor to carry out **residential construction work**, as well as subsequent purchasers (e.g. if the property is sold after the work is done).

Who takes out the cover?

The licensed contractor must collect and pay the premium to the QBCC on your behalf. The premium is usually included in the contract price and collected as part of the deposit.

Cover commencement

The premium must be paid prior to work commencing, and within 10 business days of signing the contract. Once the premium is paid, we will issue a Notice of Cover for the work. Cover under the QHWS commences as soon as the licensed contractor pays the premium, the contract is signed, or work starts (whichever is earlier).

Period of cover

The work is covered for a period of 6 years and 6 months from the date cover commences. Your period of cover may be extended by a further 6 months (up to a maximum of 7 years from commencement of cover) where the work takes longer than 6 months to complete.

Strict time limits apply for making a claim.

How much you're covered for

In general, the maximum amount of cover is $200,000 for each category of loss (e.g. incomplete work, defective work, fire and storm).

This $200,000 includes a maximum of $5,000 for alternative accommodation, removal and storage costs.

Different limits apply for duplexes and common property in multiple dwellings.

For more information see maximum entitlements under General Exclusions and Limitations.

Optional additional cover

You have the option to increase your standard cover (i.e. $200,000) to $300,000 by paying an additional premium for optional additional cover.

This $300,000 includes a maximum of $10,000 for alternative accommodation, removal and storage costs.

Provided your licensed contractor has already paid the standard premium for the work, you may increase your standard cover by paying the additional premium. Refer to the information you received with your Notice of Cover for more information.

You have 30 business days after entering into the contract or prior to the work starting (whichever is earlier) to take out optional additional cover.

NON-COMPLETION

What is a non-completion claim?

A non-completion claim arises when a licensed contractor fails to complete the work they were contracted to do. The QHWS will pay for loss arising from their failure to complete the work.

Requirements

The contract must be a fixed-price residential contract (i.e. it must be clear from the contract how much the work will cost). The contract with the licensed contractor must be validly terminated due to the contractor's default.

You do not have to terminate your contract if the contractor has died, the company is deregistered, or if the licensed contractor is both insolvent and their licence has been cancelled.

Time limits

- If the work has started, the contract must end within 2 years of the date the work starts.
- If work has not started, the contract must end within 2 years of the date the contract is entered into.
- You must lodge your claim within 3 months after the date the contract ends.

Extent of cover

If works have commenced (i.e. physically started on site) the QBCC will pay the difference between the funds you still hold under your contract (the amount of the contract price you have not paid —your **liability amount**) and the actual cost to complete the work.

If no work has commenced, the QBCC will refund the **insurable deposit** you paid the licensed contractor.

Limitations

Your entitlement will be reduced if:

- you pay more than the maximum deposit (the **insurable deposit**) required by law
- you pay for work ahead of schedule under your contract
- your contract price is underpriced by more than 30% (e.g. if the contract price is $100,000 but the actual value of the work is $150,000, the claim will be reduced by $50,000).

There is no assistance for the cost of certificates for building work carried out by the original contractor before the contract ended.

Fire, storm, vandalism or theft

We may provide cover for the rectification of incomplete work that has been damaged by fire, storm, vandalism or theft. The damage must have happened due to the work being incomplete.

Your non-completion claim must have been accepted by the QBCC and your claim for this cover must be made within 14 days of the event. The damage must occur during a specified period called the "claim period".

For vandalism and theft, the QBCC will only pay for loss in excess of $2,500, and you must report it to the police.

Accommodation, removal and storage costs

If your claim for non-completion is approved by the QBCC, you may claim reimbursement for reasonable accommodation, removal and storage expenses.

You can only claim accommodation expenses if your home is owner-occupied, uninhabitable because the work is incomplete, and was intended to be habitable (e.g. work subject to the completion claim was intended to have been finished). You must claim these accommodation expenses within 28 days of your non-completion claim being approved. Strict timeframes apply.

Exclusions

Where construction management or cost-plus contracts have been used there is no entitlement for completion of incomplete works. There is cover for defects that become evident during construction, or post completion.

DEFECTS

We provide cover for rectification of defects in **residential construction work** that is **primary insurable work**. There is no cover for defects in **associated insurable work**.

What is a defect?

There are two types of defects. A **structural defect** and a non-structural defect (**another defect**).

A **structural defect** is, for **primary insurable work**:

- for a **residence** or **related roofed building**, a defect in the work that:
    - » causes or contributes to movement of the footings or slab so that it no longer complies with the relevant provisions under the *Building Act 1975*
    - » does not comply with the performance requirements under the Building Code of Australia
    - » allows water penetration into the building
    - » causes the residence or building to be uninhabitable or not reasonably accessible
- for a swimming pool—a defect in the work that allows water to escape through the shell of the swimming pool
- a defect that adversely affects the health or safety of persons who occupy or use the **residence**, building or swimming pool.

Another defect is a defect in **primary insurable work** that is not a **structural defect**.

Requirements

The process for making a claim for defective work begins with lodging a complaint for defective work. We will assess your complaint and decide whether to formally direct the licensed contractor to rectify the work.

Before lodging a defective work complaint, you must notify the contractor in writing of your complaint, listing each item of concern. The notice must give a reasonable period to rectify the defects. What is reasonable will depend on the nature of the defective work (the subject of your complaint). For some defects, 14 days may be a reasonable period and for others, a longer period may be appropriate.

You do not need to do this if the contractor is <u>both</u> insolvent <u>and</u> has had their licence cancelled, or if they are deregistered or deceased.

It is important to understand the strict time limits for lodging a claim. If the time period for lodging your claim is about to expire you should lodge your claim to preserve your rights even if the reasonable period given to the contractor to rectify the defects has not ended.

Time limits

Structural defects:

- Covered for 6 years and 6 months from when cover commences.
- You must lodge the claim within 3 months of noticing the defect.

Non-structural defects:

- Covered for 6 months from when the work is substantially complete.
- You must lodge a claim within 7 months of when the work is substantially complete.

Extent of cover

We will pay to rectify defects in the **residence** or **related roofed buildings** on the site that involve any of the following:

- the erection or construction of a residence or related roofed building (e.g. private garage, shed or carport)
- anything attached to these buildings which requires building or plumbing approval
- anything attached to these buildings, and which is not supported by anything else (e.g. awnings or handrails)
- anything attached to these buildings that is used for primary water supply, sewerage, drainage or stormwater

- a verandah or deck attached to these buildings
- stairs or a ramp providing access to these buildings
- work to support these buildings (e.g. replacing stumps)

We will pay to rectify limited **structural defects** in the erection, construction or installation of a swimming pool.

If the defect is not significant and the work complies with the building code but not with the plans or specifications, then we may pay you for the loss in value of the work (e.g. where the ceiling height is 2.9m but the plans say it should be 3m).

The amount we will pay will be reduced by any amount of the contract price that you have not paid to the contractor—your **liability amount**.

Accommodation, removal and storage costs

If your claim for defects is accepted, you may claim accommodation expenses incurred by you while the rectification work is carried out. You can only claim this if your home is owner-occupied and uninhabitable because the work is defective, or will become uninhabitable while the rectification work is carried out.

Exclusions

The following work is not covered for defects:

- fire alarm systems, scaffolding, curtains, blinds, internal shutters, carpets, floating floors, vinyl, earthmoving and excavating, laying asphalt or bitumen, insulation, insect screens, hot water systems
- electrical appliances, including air conditioning and solar power units
- cubbyhouses, doghouses, shade sails, phone or data cables, water meters, water tanks not used for primary water supply
- construction of a slab that does not include construction of a building on top of it, (e.g. if the construction of a slab for a shed is performed under a separate contract to the erection of the shed, then there is no cover for damage to the shed caused by the slab)
- any **associated insurable work**.

There is no claim for defects if:

- you unreasonably refuse to allow the contractor to come back and fix it
- under your contract the contractor still has an obligation to complete the work.

In relation to a pool, there is no cover for:

- non-structural defects
- surfacing outside the coping of the pool
- other work associated with the pool (e.g. paving, slides, diving boards)
- steps that are not fixed.

There is no cover for damage to the **residence** or **related roofed building** that is not directly caused by the work.

GENERAL EXCLUSIONS AND LIMITATIONS

As with any policy of insurance, there are some matters that are excluded from cover, and there are some limitations on the extent of cover provided under the QHWS.

What's not covered?

In addition to the above, you won't be covered for the following building work:

- work on or for a duplex or multiple dwelling of more than 3 storeys, not including a carpark level (e.g. high-rises), including work for an individual unit in this type of building
- construction of a related roofed building (e.g. carport or shed) or swimming pool for a duplex or multiple dwelling more than 3 storeys (not including a car park level)
- work on or for a building on the site of a residence or proposed residence that is not used for residential purposes (e.g. farm building)
- backpacker's accommodation, boarding house, caravan park, guest house, holiday accommodation, hostel, hotel, lodging house or motel
- a prison or reformatory
- a hospital, nursing home or other healthcare building
- an orphanage or children's home
- a retirement village
- an educational institution
- group accommodation for persons with disabilities
- commercial or industrial premises
- owner-builder work
- loading, unloading or transporting a building (whole or in part)
- off-site prefabrication of a building (whole or in part)
- work involving offices or shops
- work on or for a class 1b, 3, 4, 5, 6, 7b, 8 or 9 building
- work for a carpark (class 7a), unless it is for a building containing two or more units
- a pool that is not used for residential purposes
- construction or installation of something that is not fixed (e.g. a portable spa).

Who's not entitled to a claim?

The following people are not entitled to a claim (but a policy is still required to be taken out):

- a licensed contractor who carries out speculative residential construction work
- a person who enters one or more contracts with a licensed contractor to construct three or more **residences** at the same time (e.g. a developer)
- a person who is an associate of a licensed contractor (e.g. the spouse or child of the licensed contractor or executive officer of a licensed contractor that is a company).

A subsequent purchaser of any of the above **residences** can claim assistance (e.g. if a developer builds a block of units, the developer is not covered for completion or defects, but the subsequent purchaser of a unit is covered for defects in their unit that become evident after the works are completed).

Defects not covered

The QHWS does not cover defects that are:

- caused by defective design (however, you may be covered if the design was prepared by an appropriately qualified person, for example, an engineer, architect or building designer)
- caused by deterioration through fair wear and tear, lack of maintenance or neglect by you
- caused by your failure (or the failure of another person who is not the licensed contractor who carried out the work or a person engaged by the licensed contractor) to undertake maintenance, inspections and treatment of the property
- caused by aircraft pressure waves
- caused by earthquake, erosion, flood or landslip

- caused by accidental damage
- caused by a defective product
- caused by the act or omission of anyone other than the licensed contractor (or the licensed contractor's subcontractor or invitee)
- caused by a terrorist act
- in electronic data
- in electrical appliances
- covered by another policy of insurance.

Actions not covered

You are not covered if:

- you release or indemnify the responsible contractor from liability for their work
- you refuse to allow access to the QBCC to assess your claim
- you were aware, or ought reasonably to have been aware, of the defect before the works were **substantially complete**
- you were aware, or ought reasonably to have been aware, of the defect before you purchased the property
- you demolish the work or rectify the defect without prior written approval from the QBCC
- for a defects claim, you unreasonably refuse the licensed contractor access to site to carry out rectification work
- you suffer further loss because you delay entering into a contract more than 28 days after your claim has been approved.

Limitations

The following limitations apply to all claims:

- As far as reasonably possible, we will try to match materials when completing or rectifying work, but we will not pay to replace adjoining work to achieve this.
- We will provide certification for the rectification or completion work carried out under the QHWS, but we will not pay the cost of obtaining certificates in relation to the work carried out by the original licensed contractor.
- We will not make payment for a matter the subject of a claim where we have already made a payment for settlement of the same matter.

Maximum entitlement

The maximum amount payable is:

Single detached dwelling and individual unit

COVERAGE TYPE	STANDARD COVER	OPTIONAL ADDITIONAL COVER
Pre-completion (non-completion, defects, vandalism, theft)	$200,000	$300,000
Fire or storm	$200,000	$300,000
Post-completion (defects only)	$200,000	$300,000

Duplex (per unit)

COVERAGE TYPE	STANDARD COVER	OPTIONAL ADDITIONAL COVER
Pre-completion (non-completion, defects, vandalism, theft)	$100,000	$150,000
Fire or storm	$100,000	$150,000
Post-completion (defects only)	$200,000	$300,000

Defects in common property (for multi-unit dwellings, including duplexes)

COVERAGE TYPE	STANDARD COVER	OPTIONAL ADDITIONAL COVER
Maximum entitlement	$200,000 x each unit (up to $1m)	$300,000 x each unit (up to $1.3m)

Alternative accommodation, removal and storage costs

COVERAGE TYPE	AMOUNT PAYABLE
Standard cover	$5,000*
Optional additional cover	$10,000*

**This amount is already included within the overall maximum entitlements.*

MAKING A CLAIM—WHAT YOU NEED TO DO

1. Terminate your contract (non-completion claims only)

We can only accept a claim for non-completion if your fixed price residential contract has been validly terminated due to the contractor's default.

You do not have to terminate your contract if the contractor has died, the company is deregistered, or the licensed contractor is both insolvent and their licence has been cancelled.

You should get legal advice before taking steps to terminate the building contract.

2. Notify your licensed contractor

If your claim includes defective work, you must notify the contractor in writing of your complaint, listing each item of concern. The notice must give a reasonable period (e.g. 14 days, but dependent on the nature of the defect) for the contractor to rectify.

You do not need to do this if the contractor is both insolvent and has had their licence cancelled, or if they are deregistered or deceased.

3. Get your documents ready

Organise all the information and documentation you need before you start (e.g. contract, termination, payments, plans or specifications, notice to the licensed contractor).

As there are different documents required for different situations, you can avoid delays by submitting the right paperwork in the first instance.

4. Make a claim

The process for making a claim begins with lodging either a:

- non-completion claim
  or
- residential and commercial construction work complaint.

You can lodge your claim online at my.qbcc.qld.gov.au.

You must include all relevant documents when lodging your claim. We may ask for further information as required.

You are required to act in good faith in relation to a claim for assistance under the QHWS. You must disclose any matter to us that you are aware of and is relevant when making a decision on your claim. If you don't act in good faith, we may recover from you the moneys we have paid out in relation to your claim.

DEFINITIONS

Some words have a special meaning when used in your policy. Knowing these words will help you understand your policy.

DEFINITION	MEANING
Residential construction work	• Must have components of **primary insurable work** with a value of $3,300 or more • May include **associated insurable work**.
Primary insurable work	Any of the following building work if carried out by a licensed contractor with a value of more than $3,300: • the erection or construction of a **residence** or **related roofed building** • building work within the building envelope of a **residence** or **related roofed building** • building work for anything attached or connected to a **residence** or **related roofed building** that requires building development approval under the *Building Act 1975* or a permit under the *Plumbing and Drainage Act 2018* • the erection, construction or installation of a swimming pool (but not the renovation or repair of a swimming pool) • building work for the renovation, alteration, extension, improvement or repair of the building envelope for a **residence** or **related roofed building** • building work for a structure attached to the external part of a **residence** or **related roofed building** if the structure doesn't have another supporting structure • building work for external plumbing for a **residence** or its **related roofed building**, if it is for a structure attached to the external part of the residence or related roofed building and is for any of the primary water supply, sewerage or drainage, or stormwater discharge • building work for an elevated platform, including a verandah or deck that is attached to a **residence** or **related roofed building** • building work for stairs, a ramp or similar structure providing access to a **residence** or **related roofed building**, if the structure is permanently attached to the building • building work for the installation, repair or replacement of support structures for a **residence** or **related roofed building**, such as replacement of stumps or underpinning.

DEFINITION	MEANING
Associated insurable work	Any additional work that may be contracted to be carried out under a contract that includes **primary insurable work** • which is carried out on the site of a **residence** or proposed **residence** or • which is carried out on the site of a **related roofed building** or proposed **related roofed building**. May include work that is not building work and is for residential purposes. **Associated insurable work** (e.g. driveways, paths, fences, air conditioning, hot water systems, security doors and grills, landscaping) is covered for non-completion claims but not defective work.
Residence	A building that is fixed to land and used for residential purposes and is: • a single detached dwelling • 1 or more attached dwellings that are separated by a common wall (such as a row house or townhouse) • a building of not more than 3 storeys (not including a carpark level), that contains 2 or more separate residential units • a manufactured home that is fixed to land in a residential park. A residence does not include a boat, caravan, car, tent, trailer, train, or a temporary building such as a demountable.
Related roofed building	A building that: • is a fixed structure • is on the site of a **residence** or proposed **residence** • is used for a purpose related to the use of the **residence** • has a roof that is impervious to water or wind.
Liability amount	The amount the consumer owes is: • for a non-completion claim—the amount of the contract price (adjusted for variations if applicable) that was remaining to be paid under the contract or • for a defects claim—the amount remaining to be paid under the contract. The liability amount cannot be adjusted for liquidated damages or amounts the contractor has agreed to waive payment for.

<table>
<tr><th>DEFINITION</th><th>MEANING</th></tr>
<tr><td>Insurable deposit</td><td>For a fixed price residential contract, means the least of the following amounts:
the deposit paid by the consumer to the licensed contractor under the contract
if the insurable value of the off-site work is more than 50% of the contract price—20% of the contract price
if the contract price is less than $20,000—10% of the contract price
if the contract price is $20,000 or more—5% of the contract price.</td></tr>
<tr><td>Structural defect</td><td>If the work is for a residence or related roofed building:
» a defect in the work that causes or contributes to deflection or movement of the footing or slab of the residence or building so the residence or building no longer complies with the building assessment provisions under the Building Act 1975
» the work does not comply with a performance requirement under the Building Code of Australia, part B1 or part 2.1 for the residence or building
» a defect in the work that causes the residence or building to be uninhabitable or not reasonably accessible.
If the work is for a swimming pool—a defect in the work that allows water to escape through the shell of the swimming pool
If the work is on or for a residence, related roofed building or swimming pool—a defect in the work that adversely affects the health or safety of persons who occupy or use the residence, building or swimming pool
If the work is on or for a residence or related roofed building—a defect in the work that allows water penetration of the residence or building.</td></tr>
</table>

DEFINITION	MEANING
Another defect	A defect in primary insurable work that is not a **structural defect**.
Substantially complete	Either: the final payment under the contract for the work is made or if the **residential construction work** is for the erection or construction of a **residence**—the **residence** is occupied or the built work is able to be used for its intended purpose despite the work not complying with the contract because of a cosmetic difference.

NOTES

Need more information?

Visit **qbcc.qld.gov.au**, call us on 139 333 or write to us at GPO Box 5099, Brisbane Qld 4001.

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