



Matt Kean
Minister for Innovation and Better Regulation

MEDIA RELEASE

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HOME BUYERS TO BE BETTER PROTECTED BY AUSTRALIAN-FIRST DEFECT BOND SCHEME

Home buyers will be better protected thanks to an Australian-first defect bond scheme, Minister for Better Regulation Matt Kean said.

The Strata Building Bond and Inspections Scheme (the Scheme), the first of its kind in Australia, provides a structured process to rectify defects early in the building lifecycle.

Mr Kean said the new Scheme follows extensive industry consultation, and aims to reduce costs for both developers and buyers, cut time delays in rectifying issues, and minimise expensive and time consuming legal action.

“Developers will now be required to lodge a building bond, which is equal to two per cent of the contract price with NSW Fair Trading,” Mr Kean said.

“The building bond can then be provided to owners’ corporations to rectify any defects – protecting consumers from developers walking out on dodgy or unfinished work.”

Mr Kean said the Scheme will enhance Fair Trading’s ability to verify the contract price provided by a developer via an independent assessor.

“There will also be a mandated independent building inspector so everyone involved can have confidence that they’re getting a fair go,” Mr Kean said.

As the Scheme kicks off, Fair Trading has released the requirements for the strata specific building inspections.

“The inspections and reports document will ensure a consistent approach to the identification and rectification of defects across NSW,” Mr Kean said.

For more information about the Strata Building Bonds and Inspection Scheme, go to fairtrading.nsw.gov.au.

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