



Victor Dominello
Minister for Finance, Services and Property

MEDIA RELEASE

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NEW HOME BUILDING SCHEME COMES INTO EFFECT

Changes to the NSW Home Building Compensation (HBC) scheme commence today that will enable private insurers to enter the market and improve protections for homeowners against incomplete and defective work.

All builders are required to take out cover under the HBC scheme for residential building projects costing over \$20,000. Each year on average, the scheme accepts liability for 613 claims, and pays out \$82.8 million.

Minister for Finance, Services and Property Victor Dominello said that reform to the scheme was long overdue and it is the first time since 2010 that private sector providers have been able to join the scheme and offer innovative new products and competitive premiums. Currently iCare is the sole provider of home building insurance.

“This insurance provides a vital safety net for homeowners in the event a builder cannot complete residential building work or fix defects, due to insolvency, death, disappearance or licence suspension,” Mr Dominello said.

“NSW is experiencing a building boom so it is critical that homeowners are adequately protected. The new laws mean there is an opportunity for new providers to enter the market and offer competitive products whilst safeguarding homeowners.”

Other key elements of the new scheme include:

- Opportunity for homeowners to get greater coverage of \$340,000 for defects and \$340,000 for non-completion;
- Greater transparency for homeowners and renovators - from 1 July 2018, all builders are required to disclose the amount of HBC insurance in their contract with homeowners; and
- Enhanced information sharing between Government regulators to support better regulation of the residential building sector.

The changes follow extensive consultation. For further information visit www.sira.nsw.gov.au.

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