



Registered building contractor obligations

A guide to registration obligations and the compliance audit program.

The Building Commissioner is responsible for monitoring and reviewing the operation of the building services Acts and administering the Building Services Board (Board) that governs the registration of builders in Western Australia.

The building services Acts set out the obligations that registered service providers must adhere to.

1. General registration obligations

You must notify the Board in writing if:

- You change your address.
- There is a change in your eligibility.
- You are suffering financial difficulty.
- You have been charged with a serious offence.
- You are convicted of an offence against the law of the Commonwealth or another jurisdiction.
- You no longer have an eligible nominated supervisor.

If your registration is amended, suspended or cancelled you must return your registration certificate to the Board no later than 14 days after you are notified.

2. Permits and standards

Building permit - You must obtain a building permit when required and comply with the plans and specifications included in the certificate of design compliance.

Notice of cessation - You should submit a notice of cessation to the relevant permit authority if you cease to be contracted to do the work and provide the owner of the property with a copy.

Building standards - You must ensure that all building work complies with each applicable building standard.

Notice of completion - You must give notice of the completion of the building work to the permit authority on the approved form.

Work affecting other land - You must ensure the work does not adversely affect land beyond the boundaries unless the owner of the other land has consented. You should also familiarise yourself with all your obligations relating to affecting other land.

3. Home building contracts

The *Home Building Contracts Act 1991* (the Act) regulates contracts between anyone undertaking home building or associated work for a home owner where the value of the fixed price contract is between \$7,500 and \$500,000. Limited provisions apply to cost plus contracts. The following requirements apply:

Notice for the home owner - You must provide the owner with a copy of the 'Notice for the Home Owner'.

Home building work contract - Contracts must be in writing, contain all the terms, conditions and provisions of the agreement, show the date and be signed by both parties.

Deposits and progress payments - Deposits must not exceed 6.5 per cent of the total cost of the work and progress payments must only be for work actually performed or materials already supplied.

Contract variations - Variations must be in writing, show the date and be signed by both parties. You must give a copy to the home owner before the variation work commences.

Price rises - 'Rise and fall' clauses are prohibited under the Act.

Home indemnity insurance - All residential building work above \$20,000 must be covered by home indemnity insurance.

Workmanship defects - You are liable to make good any defects in home building work where notified in writing within four months of practical completion.

4. Signage requirements

You must ensure your sign is located in a prominent position on the site, be able to be read by members of the public from outside the site, is of reasonable dimensions and written in clearly legible letters and numerals. It must contain the name, registration number and contact telephone number of the contractor and the name and registration number of the nominated supervisor of the contractor.

5. Advertising rules

Any advertising must contain your registration number.

6. Compliance audit program

The compliance audit program ensures that:

- performance standards are being met;
- the registration system works as it is intended; and
- the building industry remains vibrant by ensuring consumer confidence and trust remains high.

An audit by a compliance officer will verify that the building contractor is compliant with the building services Acts.

Written notice of an audit will be issued to the registered building contractor to allow adequate time to prepare documents for the audit.

During the audit, the registered building contractor will have the opportunity to discuss any compliance related matters with the compliance officer.

Compliance officers are bound by the Department of Mines, Industry Regulation and Safety's Code of Conduct. Any information obtained during the audit will remain confidential unless the Building Services Board or Building and Energy is required to disclose the information by law.

The audit will include inspections of building work currently under construction and an administrative audit at the building contractor's office of a number of completed building projects, including statutory obligations. All works to be audited will be selected by the compliance officer. Generally, an audit takes between two and four weeks depending on the size and nature of the building business.

What happens after an audit is completed?

Building and Energy acknowledges compliance efforts and will support registered building contractors and practitioners who are endeavouring to comply with their requirements.

When necessary, actions taken for non-compliance may include prosecutions seeking the imposition of penalties, the use of a public warning to protect consumers from serious non-compliance and the commencement of disciplinary action.

7. General inspections

In addition to its audit activities Building and Energy also undertakes general inspections to monitor how building services are being carried out and how building standards are being applied. Information arising from general inspections is reviewed and may be used to inform and amend the schedule of audits.

8. Further information

Further information regarding your obligations is located on the department's website at www.dmirs.wa.gov.au/building-and-energy

A copy of the building services acts are available on the Parliamentary Counsel's Office website at www.legislation.wa.gov.au

Disclaimer – The information contained in this fact sheet is provided as general information and a guide only. It should not be relied upon as legal advice or as an accurate statement of the relevant legislation provisions. If you are uncertain as to your legal obligations, you should obtain independent legal advice.

Building and Energy | Department of Mines, Industry Regulation and Safety

1300 489 099

8.30am – 4.30pm

Level 1 Mason Bird Building
303 Sevenoaks Street (entrance Grose Avenue)
Cannington Western Australia 6107

M: **Locked Bag 100, East Perth WA 6892**

W: www.dmirs.wa.gov.au/building-and-energy

E: be.info@dmirs.wa.gov.au

Regional Offices

Goldfields/Esperance	(08) 9021 9494
Great Southern	(08) 9842 8366
Kimberley	(08) 9191 8400
Mid-West	(08) 9920 9800
North-West	(08) 9185 0900
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National Relay Service: 13 36 77

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