



INFORMATION SHEET

Statutory Warranties for Home Building Work - NSW

Current at 19 July 2010
Reference: NFSCOD0573A

Background

When you carry out residential building work for an owner you are deemed to make certain promises to the owner (and possibly future owners of the property) in relation to that work. This information sheet gives an overview of these promises.

What are statutory warranties?

These promises or “statutory warranties” are:

- The work will be performed in a proper and workmanlike manner and in accordance with the plans and specifications set out in the contract;
- All materials supplied will be good and suitable for the purpose for which they are used and that, unless otherwise stated in the contract, those materials will be new;
- The work will be done in accordance with, and will comply with the law;
- The work will be done with due diligence and within the time stipulated in the contract, or if no time is stipulated, within a reasonable time;
- If the work consists of the construction of a dwelling, alterations or additions to a dwelling or the repairing, renovation, decoration or protective treatment of a dwelling, the work will result, to the extent of the work conducted, in a dwelling that is reasonably fit for occupation as a dwelling;
- The work and materials used in doing the work will be reasonably fit for the specified purpose or result, if the owner tells the contractor why they require the work or what result they are after. This shows that the owner relied on the contractor’s skill and judgement.

How long do the warranties apply?

The owner, or a subsequent owner of the property, may make a claim that you are in breach of one or more of these warranties within **seven (7) years** after:

- the date the work was completed; or
- if the work is not completed;
 1. the date for completion of the work as stated or determined in or by the contract; or
 2. if there is no completion date in the contract, the date of the contract itself.

What to do if a an owner claims under a warranty

If an owner claims you have breached a statutory warranty you must reply. You should go and inspect the work. If you want to challenge the owner's claim you may need to consider getting expert advice. If you are found to be in breach of a statutory warranty you may be told to rectify work or pay damages.

Defence

It is a defence if you can prove that the defect has arisen from the owner's instructions which were contrary to your written advice.

Warranties may not be excluded

You cannot exclude or restrict the operation of these statutory warranties and any term in a contract that seeks to do this is void.

For further information, please contact your Workplace Adviser on 1300 650 620.