



The Hon Anthony Roberts MP

Minister for Fair Trading

MEDIA RELEASE

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REBUILDING NSW: REFORM OF NSW HOME BUILDING LAWS UNDERWAY

NSW Fair Trading Minister Anthony Roberts today announced a broad and comprehensive reform of the state's home building legislation and released an issues paper for public and industry consultation.

"This reform will produce practical initiatives to cut unnecessary costs and remove obstacles restricting building in NSW, while also protecting consumers," the Minister said.

"Building a home is a major investment that carries with it considerable risk and cost. Our first priority is to create a framework to minimise the chances of problems arising during home building and ensure consumers are protected if things do go wrong.

"Improvements to the regulatory framework governing home building in this state are essential to help lift the performance of the sector to meet demand for housing and to support jobs growth.

"These reforms will work alongside the incentives outlined in this year's Budget to lift the performance of the construction sector to meet the predicted growth in demand, namely the increased release of housing blocks, fast-tracking sewage connections and the nation's most generous first home buyer scheme.

"These measures will put NSW in a better position to take advantage of the forecast growth in the construction sector – which is expected to outpace the overall growth of the national economy."

"They also follow urgent amendments introduced to Parliament last year to improve the operation of the Act by addressing unexpected court decisions, cutting red tape and helping stimulate the industry. However, more needs to be done, particularly in light of the fact that residential building in NSW is contracting," Mr Roberts said.

Minister Roberts said the building and construction sector contributed \$24.5 billion to the State's economy and employed nearly 293,000 people in 2009/10, but was under considerable pressure from red tape strangling the industry.

"The Home Building Act needs reform if it is to continue to provide important protections for homeowners by regulating builders and tradespeople, as well as providing certainty for the home building industry," he said.

The Issues Paper, *Reform of the Home Building Act 1989*, sets out key areas for the review including: home building contracts; statutory warranties; dispute resolution; owner-builders; disciplinary provisions and home warranty insurance.

The NSW Government is seeking feedback on these issues, as well as general feedback on the operation of existing laws. The issues raised in the paper reflect views and concerns previously raised by industry, homeowners and other stakeholders.

Executive Director of the Housing Industry Association NSW, Mr David Bare, welcomed the issues paper and the opportunity for the housing industry to engage in further reform of the NSW Home Building Act.

“With housing supply levels at record lows it is critical that legislative change delivers greater efficiencies for the sector and complements the initiatives already introduced by the State government to get housing moving again in NSW,” he said.

Executive Director of the Master Builders Association of NSW, Mr Brian Seidler, said “the issues paper raises very important matters but also invites the industry to add further input and that’s a very good thing,” he said.

There is a six week consultation period, with submissions closing on 18 August 2012. Copies of the Issues Paper can be found on the Fair Trading website at www.fairtrading.nsw.gov.au

This year’s Budget provides \$561 million of new money to boost housing construction. Of this, \$481 million is to fast track critical infrastructure needed to support housing across the state, particularly in greenfield areas through the Housing Acceleration Fund.

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