WHAT IF THERE IS A DISPUTE?
To reduce the risk of dispute, you should carefully discuss all terms of the contract with the owner, and ensure they understand them, prior to signing.

If a dispute with an owner does occur, there is a new process to help resolve the issue:

- Owners should notify you of their concerns as soon as possible. You are allowed reasonable time to respond, but you should address all concerns in a timely and professional manner.
- Understand the acceptable standards of work by downloading the Guide to Standards and Tolerances from the CBOS website.

If you still cannot resolve the dispute, there are now two options available through the Director of Building Control:

- Mediation
- Adjudication by expert panel

MEDIATION
Mediation is free and voluntary. The Director of Building Control will provide a mediator whose role is to help you and the owner reach an agreement.

If you are able to reach an agreement, this becomes legally binding.

ADJUDICATION
If you and the owner are unable to reach agreement through mediation, or one of you chooses not to participate in mediation, the owner can lodge a Work Completion Claim. The claim details the work they believe still needs to be done, and gives you a reasonable timeframe in which to complete it.

If the work is not done in this time, the owner can lodge an application with the Director for adjudication of the Work Completion Claim.

The Director will appoint an independent panel with appropriate expertise in the area of dispute. For example, if it is an engineering matter, the panel will include an engineer.

The adjudication panel will make a decision about the matter, including who pays costs, which will be legally enforceable.

DOES THIS AFFECT MY RIGHT TO CLAIM PAYMENT?
No. You can still make a claim under the Security of Payment legislation to seek payment for work you have completed.

Mediation and adjudication cannot proceed if the matter is being considered under another Act or by a Court.

WHERE CAN I GET MORE INFORMATION?
If you have any questions about how the changes will affect you, you can:

Email: cbosinfo@justice.tas.gov.au
Call the government call centre: 1300 654 499

Department of Justice
Consumer, Building and Occupational Services
PO Box 56, Rosny Park TAS 7018
Visit: www.justice.tas.gov.au

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Residential building projects over $20,000 need written contracts, and there are new easier methods for resolving disputes.

**“RESIDENTIAL BUILDING WORK”**
This means any work related to a residential building. It might be building, extending or renovating a house, outbuildings, associated landscape work, installing a swimming pool or putting in a driveway and paving.

This can include work by other practitioners such as plumbers and electricians.

**BUT I ALREADY USE A CONTRACT**
You may continue to use your own contract or one provided by your industry association so long as they have all of the clauses that must be included.

You can find a complete list of these in the Director’s Determination - Mandatory Contract Provisions Dec 2016.

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**CONTRACT PRICE**
The contract must either clearly state the fixed price, or a fair and reasonable cost estimate and method of calculating the price.

If there are some costs you do not yet know, such as prime cost or provisional sums, you must list the items and include the method you have used to calculate the estimated cost.

Contracts must include a warning to owners that variations impact the final contract price.

**DEPOSITS AND PROGRESS PAYMENTS**
The maximum deposits you can ask for are:

- 10% for contracts between $20,000 and $50,000
- 5% for contracts of $50,000 or more
- 20% for contracts if more than 50% of the total value of the work will be done off-site.

If you are going to claim progress payments, you must clearly specify and detail the stages and the dollar amount and percentage of the contract price due at that stage.

**RESIDENTIAL BUILDING CONSUMER GUIDE**
There is a new Consumer Guide which tells the owner about their rights and responsibilities.

You must give the owner this Guide before the contract is signed, and keep a copy of the signed acknowledgment page.


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**COOLING-OFF**
Owners may withdraw from the contract within 5 business days of signing. If you have not given them the Consumer Guide, they have up to 7 days to withdraw.

If the owner has made a pre-payment before they withdraw, you may only keep $100 plus any reasonable expenses already incurred. You must refund the rest.

**VARIATIONS**
If you - or the owner - request a change to the contract, the variation must be in writing, signed and copied to the owner within 5 business days. You must not start work until the variation document is signed.

If the work is required urgently or unforeseeable, you must still get confirmation by the owner before you commence the work. An SMS is ok as confirmation, but you will still need a signed variation document at a later stage.

**STATUTORY WARRANTIES**
You must guarantee your work is fit-for-purpose, performed diligently and delivered in a reasonable time. These are statutory warranties you provide to the owner.

There are a range of other warranties that are now part of all residential building contracts.

These warranties apply for 6 years from the time of completion and pass to new owners if the home is sold within this time.

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The Government’s building reforms are about making it fairer, faster, simpler and cheaper to build in Tasmania.

We want to maintain high standards while welcoming investment to encourage jobs growth in our critical building and construction industries.

These nation-leading reforms have been developed with industry and councils, and will deliver faster results and real savings to people who want to build or renovate.

Guy Barnett, Minister for Building and Construction

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Guy Barnett, Minister for Building and Construction