

# EXPLANATORY MEMORANDUM

## HOME BUILDING CONTRACTS (INDEMNITY INSURANCE) BILL 2002

(E115)

(Introduced by Mr Sullivan MLA)

### The Bill amends the Home Building Contracts Act 1991

- Clause 1.** The Short Title of the Bill is the *Home Building Contracts (Indemnity Insurance) Bill 2002*.
- Clause 2.** The Commencement Clause – stating the amendment Act will come into operation on the day it receives Royal Assent.
- Clause 3.** The Bill amends the existing *Home Building Contracts Act 1991* which is the principal Act.
- Clause 4.** This Clause is the centrepiece of the Bill. It seeks to do two things: firstly, to suspend Section 25C of the principal Act to make home indemnity insurance non-compulsory for contracts less than \$10,000 (minor renovations) or more than \$200,000 (high value building projects); and secondly, to ensure that the builder furnishes to the owner a disclosure notice in accordance with regulations as prescribed in accordance with Clause 5.
- Clause 5.** This Clause provides for the substance of Clause 4 to be prescribed by regulation.