

T. 08 8922 9680
E. info@fidelityfundnt.com.au

11/396 Stuart Highway
Winnellie 0820 NT

PO Box 37121
Winnellie 0821 NT

6 October 2014

MEDIA RELEASE

BUILDING CONFIDENCE IN THE BUILDING INDUSTRY

About 20 Darwin homes have been affected by two builders going into liquidation in recent weeks, Secretary of the Fidelity Fund David Malone said today.

“We have moved quickly to reassure the owners, explain their rights and look at how we get their homes finished,” he said.

“We hope to minimise the chances of these consumers being out of pocket,” he said. “We have provided them with claim forms and the Fund’s Licensed Builder has already checked most projects to see what needs to be done to get claims moving.”

“While it is unfortunate to see any builder getting into trouble, the Fidelity Fund is providing effective consumer protection,” Mr Malone said.

Under the government’s reforms, builders must get a certificate for all new homes and extensions worth more than \$12,000 before starting work.

This certificate provides a number of protections for home owners, including reimbursement of up to 20 per cent of costs, to a value of \$200,000, to help complete their home should the builder die, disappear or go into liquidation.

“The legislation also controls progress payments which means, in most cases, that the 20 per cent payment should cover the cost of engaging a new builder and completing the work,” he said.

Mr Malone said the Fidelity Fund had issued 2500 compulsory certificates since the scheme was introduced at the beginning of 2013.

“As well as acting as a safety net if builders do default, the Fund plays a strong preventative role by ensuring builders have the capacity to complete work they have taken on.

T. 08 8922 9680
E. info@fidelityfundnt.com.au

11/396 Stuart Highway
Winnellie 0820 NT

PO Box 37121
Winnellie 0821 NT

“Builders have to demonstrate their financial capacity before certificates are issued and the Fidelity Fund inspector keeps an eye on their work, looking for signs of builders in distress or not completing work to specification.

“When builders go bust, the ripple effect is devastating on everyone – home owners, subcontractors and suppliers,” he said.

“We want people to have confidence in the building industry,” he said. “That’s good for consumers and it’s good for the industry.”

The Fidelity Fund has launched an education campaign to help consumers make decisions when they are thinking about building a new home or renovations.

Tips include:

- do your research when choosing a builder
- don’t pay deposits of more than 5%
- don’t pay for work that hasn’t been done
- understand how variations work if you change your mind
- use reputable builders for new homes and extensions: doing it yourself may end up costing more

For more information go to www.fidelityfund.com.au or 89229666