



Home Building Contracts Amendment Regulations 2020:

Prescribed deposit limit for cabinetry work where more than 50 per cent of the contract value is undertaken off-site

This industry bulletin provides information on the Home Building Contracts Amendment Regulations 2020 (the Amendment Regulations) which have commenced operation.

Section 10(1)(a)(i) of the *Home Building Contracts Act 1991* (the HBC Act) allows 'builders' (which includes cabinet makers and other tradespersons) to charge their clients a maximum of 6.5 per cent deposit on any home building work contract between the value of \$7,500 and \$500,000.

Section 10(1)(a)(ii) of the HBC Act allows for the prescribing of a different maximum allowable deposit amount for work of a 'prescribed kind', such as trade work.

The Amendment Regulations amends the Home Building Contracts Regulations 1992 (the HBC Regulations) to allow cabinet makers to charge a 20 per cent deposit where the value of off-site cabinetry work is more than 50 per cent of the total contract price.

For the purposes of this prescribed maximum allowable deposit limit, cabinetry work means:

- the manufacture and installation of kitchen, bathroom, laundry and other custom-made cabinets and fitments; and
- the refurbishment or repair of kitchen, bathroom, laundry and other fitted cabinets and fitments; but
- does not include the purchase and installation of off-the-shelf cabinets.

Off-site work, in respect to home building work, means work performed at a place that is not the place at which the home building work is to be finally installed or constructed under the contract.

The new prescribed maximum allowable deposit limit means that cabinet makers can now legally charge a deposit of up to 20 per cent in home building work contracts where the cabinetry work is predominately undertaken in a factory.

The Amendment Regulations also amend Schedule 1 of the HBC Regulations, which is the notice that builders must give owners prior to them signing a contract for home building work, to indicate that an exception to the maximum allowable deposit of 6.5 per cent in the case of cabinetry work.

It is acceptable for builders to use the previous notice for a period of six months from when these Amendment Regulations came into force, i.e. until 27 November 2020. After this date, the new amended notice should be used. Cabinet makers should endeavour to immediately revert to the new amended notice so that there is no inconsistency between the maximum deposit they can charge and what is said about this deposit in the notice.

Disclaimer – The information contained in this fact sheet is provided as general information and a guide only. It should not be relied upon as legal advice or as an accurate statement of the relevant legislation provisions. If you are uncertain as to your legal obligations, you should obtain independent legal advice.

Building and Energy | Department of Mines, Industry Regulation and Safety

1300 489 099

8.30am – 4.30pm

Level 1 Mason Bird Building
303 Sevenoaks Street (entrance Grose Avenue)
Cannington Western Australia 6107

M: Locked Bag 100, East Perth WA 6892

W: www.dmirs.wa.gov.au/building-and-energy

E: be.info@dmirs.wa.gov.au

Regional Offices

Goldfields/Esperance	(08) 9021 9494
Great Southern	(08) 9842 8366
Kimberley	(08) 9191 8400
Mid-West	(08) 9920 9800
North-West	(08) 9185 0900
South-West	(08) 9722 2888

National Relay Service: 13 36 77

Translating and Interpreting Service (TIS): 13 14 50

This publication is available in other formats on request to assist people with special needs.