

## Before you sign the contract

After you have read the contract to make sure it contains the necessary 15 items, it is strongly recommended you go through the following checklist before you sign. This checklist of questions is required by law to be in the contract.

Only when you can answer yes to all these questions should you think about signing a contract with a builder or tradesperson to do work on your home.

### Checklist

<b>1.</b>	<b>Does the builder or tradesperson hold a current contractor licence with NSW Fair Trading?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	<i>Tip: Do a licence check online at <a href="http://www.fairtrading.nsw.gov.au">www.fairtrading.nsw.gov.au</a> or call 13 32 20.</i> If no, do not sign the contract and contact Fair Trading.
<b>2.</b>	<b>Is the licence for the type of work you want done?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	<i>Tip: Check online at <a href="http://www.fairtrading.nsw.gov.au">www.fairtrading.nsw.gov.au</a> or call 13 32 20.</i> If no, contact Fair Trading.
<b>3.</b>	<b>Is the name and number on the builder or tradesperson's licence the same as on the contract?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	If no, contact Fair Trading.
<b>4.</b>	<b>Is the work to be undertaken covered in the contract, drawings or specification?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	If no, contact the builder or tradesperson to clarify what has to be done.
<b>5.</b>	<b>Does the contract clearly state a contract price or contain a warning that the contract price is not known?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	If no, contact the builder or tradesperson to discuss. If they refuse to include a price, contact Fair Trading.
<b>6.</b>	<b>If the contract price may be varied, is there a warning and an explanation about how it may vary?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	If no, or if you are not happy with the explanation, contact the builder or tradesperson to discuss, or contact Fair Trading.

<b>7.</b>	<b>Do you know if you are entitled to a cooling-off period?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	If the value of the contract is more than \$12,000, there are two very important things you need to know: <ul style="list-style-type: none"> <li>• That you have cooling-off rights if you change your mind and want to cancel the contract (read the 'Cooling-off period' section on page 21).</li> <li>• That the builder or tradesperson must have a policy of home warranty insurance and provide you with a certificate of insurance before receiving any money under the contract (including a deposit) or before doing any work.</li> </ul>
<b>8.</b>	<b>Is the deposit within the legal limit?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	<i>Tip: The legal limit is 10% for work costing \$20,000 or less, or 5% for work costing more than \$20,000.</i> If no, contact the builder or tradesperson to discuss, or contact Fair Trading. Note: The loss of any deposit paid that exceeds the legal limit will not be covered by the home warranty insurance policy for the project.
<b>9.</b>	<b>Do you understand the procedure for variations?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	Read the 'Contract variations' section on page 16. When you are clear about the procedure, proceed to question 10.
<b>10.</b>	<b>Are you aware of who is to obtain any council or other approval for the work?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	Read the 'Before work starts' section on page 5. When you are clear about the approval procedure for the work you want done, proceed to question 11.
<b>11.</b>	<b>Do you understand that the builder or tradesperson must have a policy of home warranty insurance if the value of the work is more than \$12,000?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>
	Read the 'Home warranty insurance' section on page 27. When you are clear about the home warranty insurance requirements, proceed to question 12.
<b>12.</b>	<b>Has the builder or tradesperson given you a copy of this booklet?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>