



Fair
Trading

Working as an owner-builder

Your responsibilities as an owner-builder, including building approval, contracts, and insurance.

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Key information

- In NSW, you need an owner-builder permit to supervise or do work valued at over \$10,000 on your own home, and you're not contracting a licensed builder to supervise the work.
- As an owner-builder, you are responsible for the building work just as a fully licensed builder would be.
- You must have all necessary council and authority approvals before work can begin.
- You must use an appropriately licensed tradesperson for each category of work being carried out.

What is owner-builder work?

Owner-builder work is any work, including supervision and coordination of the construction, alterations, repairs or additions to a property:

- where the reasonable market cost (including labour and materials) exceeds \$10,000, and
- which relates to a single dwelling-house, dual occupancy or a secondary dwelling that:
 - requires development consent under [Part 4](#) of the Environmental Planning and Assessment Act 1979, or
 - is a complying development within the meaning of that Act.

Owner-builder permits

If you want to supervise or do building work worth more than \$10,000 on your own home, and you're not contracting a licensed builder to supervise the work, you need to hold an owner-builder permit.

Note: an owner-builder permit will only be issued regarding a dual occupancy in cases of special circumstances.

An owner-builder permit is **not** a building licence. It does not allow you to do:

- work other than the project covered by the development application or complying development certificate
- specialist work such as electrical, plumbing, gasfitting, air conditioning and refrigeration work (unless you hold a licence for such work).

Go to the [owner-builder permits](#) page for more information and eligibility requirements.

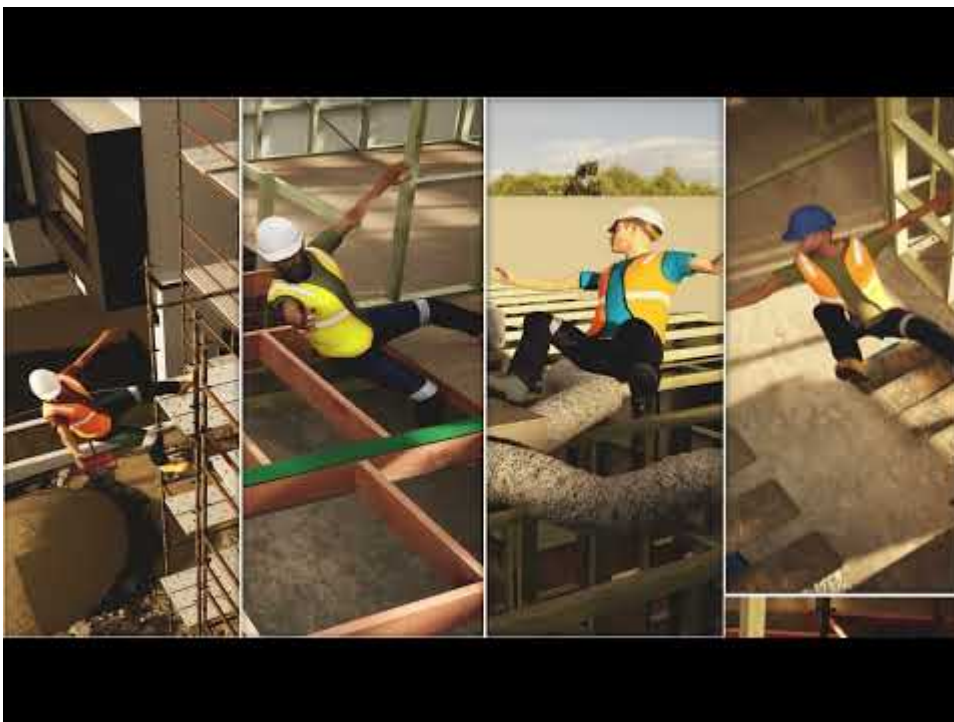
What are my responsibilities?

As an owner-builder, you are responsible for the building work just as a fully licensed builder would be. This includes:

- overseeing and supervising all tradespeople
- ordering materials and managing the building site
- obtaining all necessary council and authority approvals
- ensuring that the financial, taxation and insurance requirements of the building work are met and fully comply with all laws
- being aware of your obligations under the [Workers Compensation Act 1987](#) and the [Work Health and Safety Act 2011](#) to provide a safe work environment that complies with SafeWork NSW requirements. Significant penalties may apply if you don't meet this obligation. Our [dealing with hazardous materials](#) page has more information on some possible risks, such as asbestos and lead.
- ensuring any contractor engaged is appropriately licensed and insured to do the work contracted for
- warranting that the materials and work will be fit for the purpose and result in a dwelling that can be occupied.

You can do a [licence check online](#) to verify the credentials of any tradespeople you work with, or call us on 13 32 20.

[SafeWork NSW](#) has more information about building and construction obligations and how to prevent incidents, including the owner-builder animation below.



[https://youtu.be/Br6W_-](https://youtu.be/Br6W_-fZPrg)

[fZPrg](#)

Approvals needed for your building work

Most building work will need the following approvals before work can start.

Development consent or Complying Development Certificate (CDC)

A 'development consent' is either a complying development certificate (CDC) approval or a development application (DA) approval.

A CDC is issued by a private accredited certifier or local council, while a DA can only be issued by a council.

You do not need an owner-builder permit to obtain your development consent. However, you will need an owner-builder permit before you appoint a [Principal Certifying Authority](#) and before you commence building work.

For detailed legislative information, see clause 150 of the Environmental Planning and Assessment Regulation 2021 and section 29 of the Home Building Act 1989.

Construction approval

Approval for the work (a construction certificate) can be issued by either your local council or a private accredited certifier.

During construction, the building work can also be inspected by local council or a private accredited certifier to check that it meets national building standards.

Using licensed tradespeople

Tradespeople (whether contracting directly with home owners or sub-contracted through a builder), who do home building work costing over \$5,000 (labour and materials), must hold a Fair Trading licence for the type of work they need to do.

Regardless of the work's cost, specialist tradespeople must be licensed to do:

- electrical wiring
- plumbing, draining and gasfitting work
- air-conditioning and refrigeration work (except plug-in appliances).

This type of work cannot be done under an owner-builder permit. You must use an appropriately licensed tradesperson for each category of work.

Before you sign any contract, don't forget to:

- ask to see a tradesperson's licence
- use our licence check to make sure the licence is current, valid and suitable for the work you want done, or call Fair Trading to do a licence check over the phone.

Contracts for owner-builders

As an owner-builder, you must have a written contract with licensed tradespeople to do building, renovation or maintenance to any home (including garages or swimming pools) if:

- the contract price exceeds \$5,000, and

- if the cost of the labour and materials supplied by the contractor exceeds \$5,000.

Visit our [home building contracts](#) page for more information on residential building contracts.

It is an offence under the Home Building Act 1989 (maximum penalty \$22,000) for the holder of an owner-builder permit to:

- knowingly engage an unlicensed contractor
- lend their permit to another person
- refuse to disclose to an authorised officer the names and addresses of contractors working on the site.

Insurance

The types of insurance you need to know about are listed below.

Compulsory home building compensation cover

Home building compensation cover is no longer available for work done by an owner-builder, however, each licensed contractor (builder or tradesperson) who contracts directly with an owner-builder to do residential building work must provide home building compensation cover, if the contract price is over \$20,000 (including material supplied by the contractor).

You as the owner-builder should receive a copy of the certificate of insurance before:

- work starts
- you pay any money.

For more information about home building compensation go to the [State Insurance Regulatory Authority](#) website or use the [HBC Check](#) to see if you're covered.

Workers compensation insurance

Owner-builders should find out if they need workers compensation when hiring a contractor. Depending on the arrangements, contractors can be classified as 'workers'.

Contact [icare](#) or call 13 44 22 for more information about workers compensation insurance.

Contract works insurance

The builders and trade contractors you use should have contract works insurance. It's for your protection and covers loss or damage to materials and work.

If the builder or trade contractor doesn't have this type of insurance, you could risk inconvenience, time delays and disputes if materials are damaged or stolen.

Public liability insurance

If you intend to be an owner-builder or to contract out any type of building work, we strongly recommended that you take out a public liability insurance policy.

This covers you if a family member or member of the public is injured as a result of the building work. You could be liable because you own the property.

Dispute handling

If you have a dispute, visit our [resolving building disputes](#) page or call 13 32 20.

Selling an owner-builder constructed home

As an owner-builder, if you decide to sell your home within 7 years and 6 months after an owner-builder permit was issued, the contract for sale must include a consumer warning stating that 'an owner-builder permit was issued in relation to the land on the date it was issued'.

Work done under an owner-builder permit is not required to be insured under the Home Building Act 1989 unless the work done by a contractor is worth more than \$20,000.

If the consumer warning is not included in the contract of sale, the purchaser can void the sale contract before settlement.

WARNING! As an owner-builder you are guaranteeing the work you undertake. The next immediate owner of the property is entitled to the benefit of the [statutory warranties](#) set out in the Home Building Act 1989, and can take you, the owner-builder, to the NSW Civil and Administrative Tribunal to enforce their statutory warranty rights.

Contact us

If you need help or have a question, please call 13 32 20.

Can't find what you're looking for? Send a [general enquiry](#) .

[Prev](#) Owner-builder permits

<https://www.fairtrading.nsw.gov.au/housing-and-property/building-and-renovating/becoming-an-owner-builder/working-as-an-owner-builder>

01-01-03

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