# Owner-builder sale and the section 32: decision flow (from 1 July 2026)

*Building Act 1993 (Vic), Part 9A. Owner-builder cover is available via BPC-appointed distributors under the Building (Statutory Insurance Scheme) Regulations 2026.*

In this pack: prescribed period and premium drill-downs (pages 2–4) · vendor intake questions (pages 5–6)

Vendor has done building work and is selling within the prescribed period (see page 2)
*s 137B(2), (7)*

**Built by a registered builder under a major domestic building contract?**

Yes →

**Outside 137B**
Include the builder's notice of cover under the SIS (if applicable) in the section 32.
*s 137B(1)(b); s 137I(a); s 32B(ab) Sale of Land Act 1962*

No (owner-builder) ↓

**Is it 'domestic building work' and more than $20,000?**

*(reg 7 of DBC Regs excludes single trades done under a contract just for that type of work)*

No →

**SIS does not apply**
so the vendor doesn't need to obtain a notice of cover. Report and s 137C warranties still required.
*s 137J; s 137B(2)(a); s 137C*

Yes ↓

**Certificate of consent obtained before the work?**
*s 25B*

No CoC →

**Not under a CoC, so SIS does not apply**
and the vendor doesn't need to obtain a notice of cover. Report and s 137C warranties still required.

Consider if the absence of a CoC is a material fact requiring disclosure.

Yes (under a CoC) ↓

**Selling within 6 years after the 'completion date'?**
*reg 8A(1)(b); reg 4*

*('completion date': reg 4 cascade, see page 3)*

No →

**No premium required for this sale**
The scheme imposes nothing on a sale more than 6 years after the completion date. Report and s 137C warranties still required while within the prescribed period.
*reg 8A(1)(b)*

Yes ↓

**Premium payable: pay before giving the section 32 statement**
*s 137I(c); reg 8A(1), (2)*

↓

**Owner-builder buys cover through a distributor**
The BPC does not issue it directly. Apply to a listed distributor and supply the building permit, CoC, certificates of compliance, rates notice, title and plan. Allow about three weeks for the cover.
*ss 137K, 137L(c); distributors listed at bpc.vic.gov.au*

**Listed distributors (apply to one)**
- Bovill Risk & Insurance Consultants Pty Ltd · 1800 077 933
- CCM Insurance Group Pty Ltd · 03 9853 4688
- HIA Insurance Services Pty Ltd · 1800 633 467
- Master Builders Insurance Brokers Pty Ltd · 1800 150 888

*Current as at the BPC list; confirm at bpc.vic.gov.au*

↓

In the section 32: defects report + notice of cover + section 137C warranties; plus Sale of Land Act disclosure of scheme cover (s 32B(ab), (b)).
*s 137B(2)(a)-(d)*

! If section 137B(2) is not met, the contract is voidable by the purchaser at any time before settlement (s 137B(3)), and the vendor commits an offence (s 137B(2)). This applies wherever the section is engaged but not satisfied.

**Legend**
- Outside section 137B
- Vendor can comply (report only, or cover in place)
- SIS applies; cover available via listed distributors
- Non-compliance (contract voidable / offence)
- Decision

*Diagram is a navigational aid only. Section references are to the Building Act 1993 (Vic) unless stated. SIS provisions were inserted by the Building Legislation Amendment (Buyer Protections) Act 2025 (Vic) and commenced 1 July 2026, supported by the Building (Statutory Insurance Scheme) Regulations 2026 (S.R. No. 42/2026, as amended).*

# CONDITION REPORT: Is the sale within the 'prescribed period'?

*The period depends on which permits were obtained or required.*

| An occupancy permit (OP) or certificate of final inspection (CFI) **was issued** | Neither an OP nor CFI was issued, but a building permit **was issued** | No building permit was issued **or required** |
|---|---|---|
| **6 years 6 months** | **7 years** | **6 years 6 months** |
| **after the 'completion date'** the date the OP or CFI issued | **after the date of issue** of the building permit for the works | **after the 'certified date of commencement'** the date the owner certifies by statutory declaration that the building work started |

**Inside the period?** Section 137B must be complied with **before the contract is signed**:

- condition report (not more than 6 months old and by a prescribed building practitioner)
- statutory insurance scheme particulars (if applicable – see the flowchart, page 1). See page 3 for when the premium must be paid.
- section 137C warranties in the contract (if a ‘home’).

*Building Act 1993 (Vic) s 137B(2), (7). Applies to domestic building work; for any other building the period is 10 years after the completion date.*



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# INSURANCE: Must the vendor pay the premium for this sale?

*Only certificate of consent works attract the SIS (see the flowchart, page 1). The premium test then turns on the 'completion date'.*

**Selling within 6 years after the 'completion date'?**

Pay the applicable premium (via a BPC distributor) **before giving the section 32 statement**. Allow about three weeks.

*reg 8A(1), (2)*

**Selling more than 6 years after?**

No premium required. The condition report and s 137C warranties still apply while inside the prescribed period (page 2).

*reg 8A(1)(b)*

## When is the 'completion date'? (reg 4)

| An OP or CFI **was issued** | Neither an OP nor CFI was issued **or required** | Certificate of consent works where practical completion **cannot be determined** |
|---|---|---|
| **'Completion date' = date of issue of OP/CFI** | **'Completion date' = 'date of practical completion'** works complete except for omissions or defects that do not stop the building being reasonably usable for its intended purpose | **'Completion date' = the deemed date** 6 months after the date the domestic building work started |

*Building (Statutory Insurance Scheme) Regulations 2026 (S.R. No. 42/2026) regs 4, 8A; Building Act 1993 (Vic) ss 137B(2)(b), 137I(c); Sale of Land Act 1962 (Vic) s 32B(ab), (b).*

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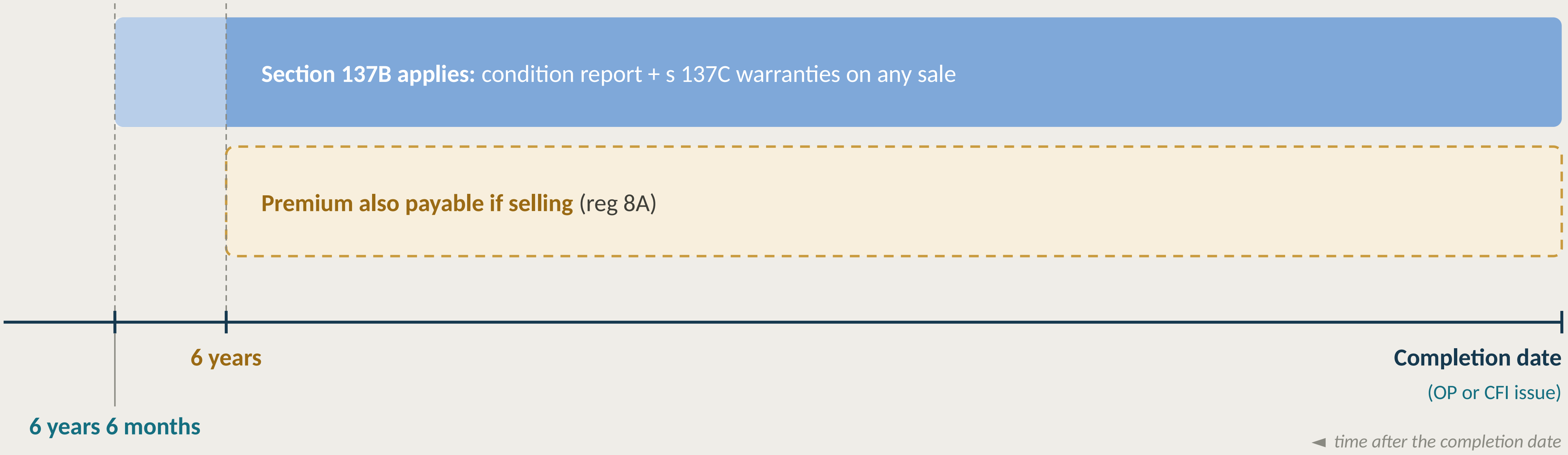
# How the 6-year premium window sits inside the prescribed period

*Common case shown: an OP or CFI was issued, so both clocks run from the same day.*




**The half-year overhang (shaded):** report and warranties only, no premium.

**No OP or CFI?** The prescribed period is instead 7 years after the building permit, or 6 years 6 months after the certified date of commencement, and the two clocks then run from different dates: compute each separately (s 137B(7); reg 4).

Cover starts at settlement (reg 8A(4)) but ends 6 years (major defects) or 2 years (other) after the completion date (reg 8), so late sales deliver short cover. **A purchaser can ask the BPC for a written statement of when cover ends and how much remains (reg 49, 3 fee units).**

*Building (Statutory Insurance Scheme) Regulations 2026 (S.R. No. 42/2026) regs 8, 8A, 49; Building Act 1993 (Vic) s 137B(7).*

# Owner-builder intake questions

Add these questions to your vendor intake form or initial instructions checklist, and ask them on every sale, not just when something looks renovated. Vendors rarely volunteer the kitchen reno they built in 2021, because they don't think of it as building works. The trigger word in section 137B of the Building Act 1993 (Vic) is 'construct', and it is broader than 'domestic building work' under the Domestic Building Contracts Act: non-structural renovations count. **If the answers reveal owner-builder works, advise the client about the owner-builder condition report and any insurance requirements before the contract of sale is prepared or signed. After signing is too late: the purchaser's termination right under s 137B(3) cannot be cured.** Use this form with the decision flowchart (page 1) and the drill-down slides (pages 2–4) in this pack.

### 1. Have any building works been carried out on the property during your ownership?

*This includes any cosmetic works, granny flats, sheds, pergolas, decks, verandas, kitchen or bathroom renovations, partition walls, re-stumping, retaining walls etc*

### 2. Who carried out the works?

*E.g. a registered builder under a major domestic building contract; trades you engaged directly (who aren’t registered builders); yourself, family or friends; a mix. A vendor who coordinated trades themselves is likely an owner-builder even where every task was done by a licensed tradesperson.*

### 3. Was a building permit obtained? If yes, for what works and who is named as the builder on it? Please provide a copy of it, plus the certificate of final inspection/occupancy permit.

### 4. When did the works start, and when were they completed?

*Approximate dates are enough at intake. The prescribed period runs from different events depending on the permit position (see page 2); when in doubt, list works within the last ten years.*

### 5. What did the works cost, including materials and labour?

*Works over $20,000 are the territory where a certificate of consent may have been required and the insurance question arises. Cost does not change the condition report obligation, which applies regardless.*

## 6. Did you obtain a certificate of consent before starting the works?

*Issued by the Building and Plumbing Commission (previously the VBA). From 1 July 2026, statutory insurance scheme cover for owner-builder works is only available where the works were done under a certificate of consent; the scheme will not insure retrospectively. Where the works were under a certificate of consent and the sale is within 6 years of the ‘completion date’, the premium must be paid before the section 32 statement is given (see pages 3 and 4).*

## 7. What documents do you hold for the works?

*Building permit, plans, certificate of final inspection or occupancy permit, certificates of compliance for electrical and plumbing work, certificate of consent, any warranty insurance.*