



Advisory Notice Building 03/25

Building Indemnity Insurance

This Advisory Notice provides guidance on building indemnity insurance for domestic building work including the responsibilities of applicants, owner-builders and relevant authorities and under the *Planning, Development and Infrastructure Act 2016*.

Background

Building indemnity insurance (BII) provides protection if a contractor disappears, dies or becomes insolvent and cannot complete the building work or fix any defects under statutory warranties.

Division 3 of Part 5 of the *Building Work Contractors Act 1995* (BWC Act) requires building indemnity insurance to be in place for domestic building work:

- valued at \$20,000* or more that requires development approval under the *Planning, Development and Infrastructure Act 2016*, and
- performed by a building work contractor under a domestic building work contract, or on the contractor's own behalf.

* The value of works requiring BII increased from \$12,000 to \$20,000 on 10 November 2025.

Domestic building work is defined under the BWC Act and includes constructing, erecting, underpinning, altering, repairing, improving, adding to or demolishing a house and the excavating or filling a site in relation to that house.

Under the *Building Work Contractors Regulations 2011*, building indemnity insurance is not required for contracts that are:

- solely for demolition work (Regulation 5(8)),
- for construction of a multi-storey residential building (Regulation 5(9)(a)), or
- for the South Australian Housing Trust (Regulation 5(9)(b)).

Consumer and Business Services (CBS) are the relevant agency dealing with building indemnity insurance under the BWC Act. Further information about BII is available at bij.sa.gov.au.

Discussion

Contractor responsibilities

Under the BWC Act, a building work contractor must not perform domestic building work unless:

- there is a policy of insurance applying to that building work in place, and
- a certificate of insurance for building work performed under a domestic building works contract is provided to the building owner.

Exemptions under the *Building Work Contractors Act 1995*

Building work contractors undertaking domestic building work on their own behalf can apply to CBS for an exemption from the BII requirement via the online form at [South Australian Government - Building indemnity insurance exemption application](#).

Certificates of exemption must be provided to the relevant authority when applying for development approval in lieu of an insurance certificate.

Applicant responsibilities

Regulation 36 of the *Planning, Development and Infrastructure (General) Regulations 2017* requires the applicant for building consent for domestic building work to provide a certificate of insurance for that work to the relevant authority (council or private certifier).

The applicant must provide insurance certificates to the relevant authority with their application for building consent when:

- a domestic building works contract is in place at the time of application, or
- the work is being undertaken by a building work contractor on their own behalf.

In any other case, insurance certificates must be provided to the relevant authority prior to notifying the commencement of building work under Regulation 93.

Building work must not commence before all certificates of insurance for that work have been lodged with the relevant authority in accordance with Regulation 36(2).

Owner-builder responsibilities

An owner-builder can do some building work themselves and engage one or more licensed contractors to complete the remaining work. Applicants who are building work contractors cannot be considered owner-builders.

The owner-builder must obtain an insurance certificate from each building work contractor carrying out domestic building work valued at \$20,000 or more that is part of a development approval. Insurance certificates must be provided to the council before that work commences. Insurance is not required for work owner-builders carry out themselves.

Responsibilities of relevant authorities

When assessing a building consent application, relevant authorities must ensure the applicant has provided the insurance details with their application where required by Regulation 36(2).

Relevant authorities cannot issue building consent when:

- a domestic building works contract is in place at the time of application, and an insurance certificate has not been provided, or
- a building works contractor undertaking work on their own behalf has not provided an insurance certificate or notice of exemption.

Building consent conditions allowing an applicant to submit insurance details at a later date in these instances are not consistent with the requirements of the Regulations.

The status of building indemnity insurance certification at development approval must be noted on the decision notification form.

On receipt of the notification of commencement of building work, councils should ensure all applicable insurance certificates have been provided for that work.

For more information:

Building Policy and Programs
Planning and Building
Department for Housing and Urban Development

T 1800 752 664
E plansa@sa.gov.au
W plan.sa.gov.au/resources/building

Advisory Notices are issued to assist in the interpretation of the *Planning, Development and Infrastructure Act 2016*. They provide general information only and should not be relied upon as legal advice or an accurate statement of the relevant legislation provisions. If you are uncertain as to your legal obligations, you should obtain independent legal advice.