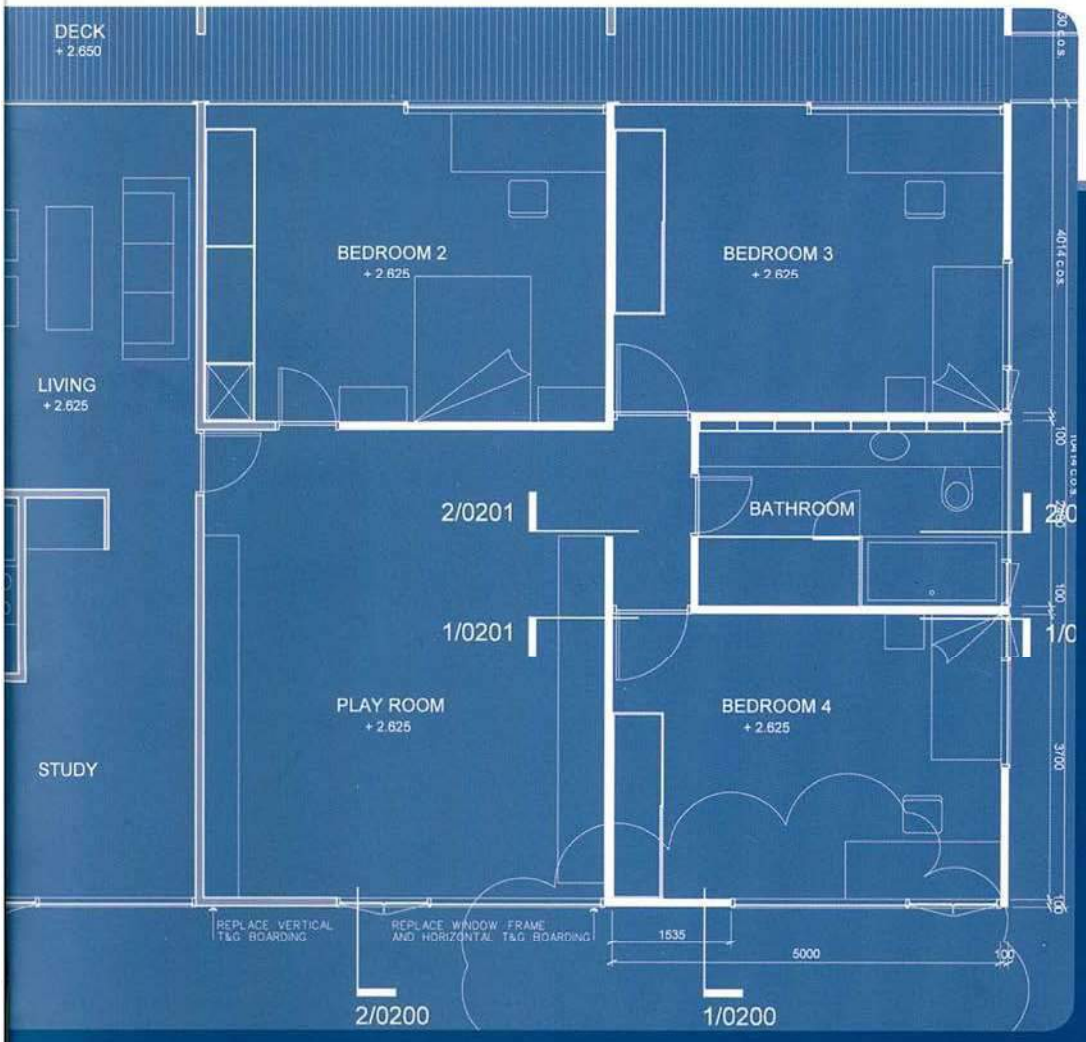
HEAD CONTRACT

Residential Building (BC4)

SP 8704 - Unit 29 Balcony



Lump sum contract for new houses, major residential renovations or small multi unit developments with no architect supervision.

Master Builders Association
New South Wales

Residential Building (BC4)
New South Wales

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THE ORIGINAL HOME BUILDING COMPENSATION FUND INSURANCE CERTIFICATE IS TO BE PROVIDED TO THE OWNER

THE BUILDER IS TO KEEP A COPY

Contract Price $ 61,490.00

HOME BUILDING ACT WARNING AS TO MATTERS WHICH MAY CHANGE THE CONTRACT PRICE

The contract price stated above is the amount payable based upon the work to be done under the contract as at the date of the contract.

If the work under the contract changes then the contract price may change. When the work is done may also affect the contract price. The following provisions of the contract will, or may in appropriate circumstances, change the contract work and/or the contract price or costs payable by the **Owner**.

Clause		
2	(f)	mandatory inspection fees
2	(g)	full approval terms not provided prior to pricing by **Builder**
2A	(b)	meeting determines that work to be done is to be altered
4	(d)	**Owner** instructions concerning ambiguities
5	(b)	mandatory inspection fees payable by the **Owner**
9	(b)	relevant materials unavailable
10	(c)	damages for late completion
11	(f)	delay costs payable to **Builder**
12		statutory requirements or fees change post contract
13		site investigations
14		variations to the contract works
15		prime cost items/provisional sums
17		insurance of works
19	(c)	GST adjustments due to changes in the contract work
20	(f)	interest due to late payment
21		suspension of contract works
23	(c)	interest for late final payment

Additionally the contract price may be affected by changes to the amount charged for, or the conditions attached to the provision of insurance issued in compliance with the Home Building Act 1989. The cost of the insurance under the Home Building Compensation Fund is payable by the **Owner(s).**

This is page 1 of the contract. It specifically forms part of the contract document.

THE AGREEMENT AND PARTICULARS OF CONTRACT

WHO

OWNER(S): Owners Corporation Strata Plan 8704 - C/O Strata Choice
(insert name and address)

of 8-14 Bowen Street Chatswood NSW 2067

CONTACT DETAILS Telephone: 9249 9835 Mobile: Facsimile:

Email: epham@stratachoice.com.au

BUILDER: Crownview Projects Pty Ltd
(details as per the Builder's licence)

of 1/34-36 Princess Highway Kogarah

CONTACT DETAILS Telephone: 02 7226 0876 Mobile: Facsimile:

Email: info@crownview.com.au

LICENCE NO.: 360395C **ABN NO.:** 82 645 214 544

WHERE

SITE ADDRESS: 8-14 Bowen Street Chatswood NSW 2067

FINANCE TO PAY CONTRACT PRICE AND COST OF HBCF INSURANCE:

Lending Institution: $ _____

Owner: $ _____

CONTRACT PRICE: $ 61,490.00

☒ Inclusive of GST / ☐ Plus GST @10% *tick appropriate box. Refer to Clause 19(a)*

Cost of Home Building Compensation Fund insurance cover: $ 4,840.00 (estimated)

☒ Included in the contract price / ☐ Not included in the contract price

IT IS AGREED THAT:

(1) the **Builder**, subject to the Conditions of Contract, will complete the work required to be done under the contract.

(2) the **Owner** will pay to the **Builder** the contract price or such other sum which becomes payable under the contract, at the times and in the manner stated in the contract.

The parties have signed below this 5th day of February 20 24 to confirm their agreement.

SIGNED BY THE OWNER(S)

SIGNED BY THE WITNESS:

WITNESS NAME AND ADDRESS (PRINT) John Liang,
Strata Manager for SP 8704
Lv 13, 25 Martin Pl, 2000

Common Seal
THE OWNERS - STRATA PLAN 8704

SIGNED BY THE BUILDER:

SIGNED BY THE WITNESS:

WITNESS NAME AND ADDRESS (PRINT)

SCHEDULE 1

This and the following page of the contract are required by the Home Building Act 1989, and apply to contracts where residential building work is to be done.

1	Have you checked that contractor holds a current contractor licence?	Yes x	No
2	Does the licence cover the type of work included in the contract?	Yes x	No
3	Is the name and number on the contractor's licence the same as on the contract?	Yes x	No
4	Is the work to be undertaken covered in the contract, drawings or specification?	Yes x	No
a	**Did the Builder provide (i.e. have prepared) the contract drawings and specification detailing the work to be done? "No" means the Owner is or was responsible for having such documents created.**	Yes x	No
5	Does the contract clearly state a contract price or contain a warning that the contract price is not known?	Yes x	No
6	If the contract price may be varied, is there a warning and an explanation about how it may be varied?	Yes x	No
7	Are you aware of the cooling-off provisions relating to the contract?	Yes x	No
8	Is the deposit within the legal limit of 10%?	Yes x	No
9	Does the contract include details of the progress payments payable under the contract?	Yes x	No
10	Do you understand the procedure to make a variation to the contract?	Yes x	No
11	Are you aware of who is to obtain any council or other approval for the work?	Yes	No x
b	**Is the Builder responsible for getting any approval?**	Yes	No x
12	Do you understand that you are not required to pay the contractor a deposit or any progress payments until the contractor has given you a certificate of insurance under Part 6 or Part 6B of the *Home Building Act 1989* (except where the work is of a kind that does not require insurance)?	Yes x	No
12A	Does the contract include either of the following: (a) the cost of the insurance under Part 6 of the *Home Building Act 1989*, (b) the cost of the alternative indemnity product under Part 6B of the *Home Building Act 1989*?	Yes x	No
13	Has the contractor given you a copy of the Consumer Building Guide, which provides key information about your rights and responsibilities under NSW's home building laws and where to get more information? **The Consumer Building Guide is included at the end of this Contract.**	Yes x	No
14	Does the contract include a statement about the circumstances in which the contract may be terminated?	Yes x	No

The highlighted words above *have been inserted by the Master Builders Association of New South Wales as an aide to the contract parties. Despite a "no" answer to questions a and/or b the contract may be ready to be signed*

1. Signatures

Do not sign the contract unless you have read and understand the clauses as well as the notes and explanations contained in the contract and this document.

If you have answered "no" to any question in the checklist, you may not be ready to sign the contract.

Both the contractor **Builder** and the **Owner** should retain an identical signed copy of the contract including the drawings, specifications and other attached documents. Make sure that you initial all attached documents and any amendments or deletions to the contract.

2. Signed copy of contract

Under the *Home Building Act 1989* a signed copy of the contract must be given to the **Owner** within 5 working days after the contract is entered into.

3. Home Building Compensation Fund

The contractor **Builder** must provide you with a certificate of insurance under the Home Building Compensation Fund before the contractor **Builder** commences work and before the contractor **Builder** can request or receive any payment.

4. Cooling off period for contracts with price over $20,000.00

Under the *Home Building Act 1989* the **Owner** may, by notice in **writing**, rescind the contract in specific circumstances. The contract may be rescinded even if work has commenced under the contract.

A notice of rescission can only be given to the contractor **Builder** if the contract price is over $20,000 and:-

- where the **Owner** has been given a copy of the signed contract – it is provided within five (5) clear business days
- after being given a copy of the signed contract; or where the **Owner** has not been given a copy of the signed contract within five (5) days after the contract was signed – it is provided within five (5) clear business days after the **Owner** becomes aware of being entitled to be given a copy of the signed contract.

The notice of rescission must state that the **Owner** rescinds the contract, and must be given to the contractor **Builder** by leaving it at the address shown as the contractor **Builder's** address.

If the contract is rescinded during the cooling off period the contractor **Builder** may retain out of any money already paid the amount of any reasonable out of pocket expenses that the contractor **Builder** incurred before the rescission. The contractor **Builder** is entitled to be paid a reasonable price for any work carried out under the contract to the date the notice of rescission is given.

Acknowledgement of Owner

I/We have been given a copy of the Consumer Building Guide and I/we have read and understand it.

I/We have completed the checklist and answered "**Yes**" to all items on it.

Note.

Where the **Owner** is a company or partnership or the contract is to be signed by an authorised agent of the owner, the capacity of the person signing the contract. eg director, must be inserted.

Signature:

Date: 05/02/2024

Name: [print] John Liang

Capacity: [print] Strata Manager for SP 8704

Common Seal
THE OWNERS - STRATA PLAN 8704

Signature:

Date:

Name: [print]

Capacity: [print]

SCHEDULE 2

Contract details and particulars to be completed by the parties

1. Percentage to be allowed for overhead and profit on variations

Refer to Clause 14.

% 20

2. Labour Rates for variations. *Clause 14 (i).*

These are to be used with reference to work:

*(i) carried out by the **Builder's EMPLOYEES** and*

(ii) which is in addition to the contract work detailed as at the date of this contract.

Director/Principal	150	per hour	Labourer	55	per hour
Foreman	120	per hour	Apprentice		per hour
Carpenter	95	per hour	Other		per hour

3. Delay Costs – Reimbursement of costs for delay

(a) Payable by **Builder** *Refer to Clause 10(c).* $ 100 per calendar week

(b) Payable by **Owner** *Clause 11(f).* $ 100 per calendar week

4. Payment

(a) **PAYMENTS**

(Refer to Clauses 18, 19, 20 and 23). Staged claims should not include a claim for the deposit. Payments can be claimed when the following stages of the works are 95% reached:

(1)	1st Claim to be the costs for Documentation/Design for $7,700.00. Paid prior to release of documents	$
(2)		$
(3)	2nd Claim o be HBCF Insurance to be paid immediately by owners to obtain HBCF insurance and proceed with works	$
(4)		$
(5)	Deposit to be paid of 10% of contract sum Construction Portion of $48,950 x 10% = $4,895 prior to commencement of works	$
(6)		$
(7)	Once works commences progress claims to be made fortnightly to reflect the amount of works completed at the time of making the claim	$
(8)		$
(9)		$
(10)		$
(11)		$
(12)		$
(13)		$
(14)		$
(15)		$
(16)		$
(17)		$
(18)		$
(19)		$
(20)		$

Contract price (subject to adjustment as per contract conditions) $

Note: The work comprised in each stage must be described in clear and plain language. Refer to and attach pages as necessary.

(b) **DEPOSIT**

A deposit is payable in the amount of $ 4,895.00

Not to exceed 10%. To be deducted from final payment. ***Refer to Clause 18.***

(c) **WHEN TO CLAIM**

The request for payment is to be made when a stage of the works has been reached. ***Refer to Clause 20(d).***

(d) **WHEN TO PAY CLAIM**

Claims are to be paid no later than 5 days after a **written** request for payment. If nothing stated, then 5 days. ***Refer to Clause 20.***

(e) **INTEREST ON LATE PAYMENTS**

Late payments will entitle the **Builder** to interest at the rate of _____% p.a.
(if left blank then 15% p.a.) ***Refer to Clauses 20(f) and 23(c).***

5. Construction Period - when will the work be done?

Refer to Clauses 2, 10, and 11.

(a) **Proposed** Date for Commencement. ***Refer to Clause 10.*** February 2024

(b) Number of **days*** to carry out the work. ***Refer to Clause 11.*** 45 days

(c) Specific **days*** **not** included in Construction Period

For example: Christmas break, school holidays, etc. Public holidays and weekends

Refer to definition of days Clause 32.

6. Demolition Materials

Demolition material which does not become the property of the Builder is to be detailed here.
Refer to Clause 9(e).

NOTE: **Advice regarding disposal of building waste**

A number of Councils require a waste management plan as part of the development approval. Review this carefully. For further information and advice you can contact the Department of Environment and Climate Change by phoning 131555, or visit the website www.environment.nsw.gov.au. Alternatively you can contact your Local Council and speak to the Waste Management Officer there. The responsibility for waste disposal rests with everyone including **Owners** and Developers of the works.

7. Defects Liability Period

Refer to Clause 24.

52 Weeks

8. Agreed method of dispute resolution

Refer to Clause 26.

(a) MEDIATION:	Nominating Officer	
	Organisation	
(b) EXPERT:	Nominating Officer	
	Organisation	
(c) ARBITRATION:	Nominating Officer	
	Organisation	

If nothing stated in (a), (b) or (c), then the President of the *Master Builders Association* of the State, Territory or place in which the works are located, or his nominee.

9. Identification of Special Purpose or Result

If a special purpose or result is required under the contract then it must be listed here. ***Refer to Clause 1(b)(vi) and paragraphs following.***

Note if a purpose listed here alters the work to be done relative to the contract drawings then a variation will be involved. If the Owner does not sign a variation for such work then the drawings will override any special purpose or result listed above. In other words in such circumstances the drawings represent what is required to be done by the Builder and if a special purpose alters that position then a written variation must be provided by the Owner to the Builder.

10. Pre Contract Costs

The costs incurred (including preparation time by the **Builder**) up to the date of signing the contract is

$ 3000 Included in the contract total

This is the minimum amount which will be payable if the contract is rescinded by the **Owner** under the cooling off provision applicable to this contract. Further costs may be incurred after signing the contract.

11. Table of Allowances for Prime Cost Items

(or refer to specifications)

TABLE "A"	Description of Each Prime Cost Item	Total Prime Cost Allowance
Example Only	~~Taps (Internal sets)~~	~~$900.00~~
1		
2		
3		
4		

Table of Allowances for Provisional Sum Items and Work

(or refer to specifications)

TABLE "B"	Description of Provisional Sum Item	Total Provisional Sum Allowance for Labour and Materials
Example Only	Site Excavation Cut & Fill	$600.00
1	HBCF	$4,840.00
2		
3		
4		
5		
6		
7		

Note - Refer to **Clause 15(d)** and **Schedule 2 item 12** when dealing with amounts in excess of allowances and Builder's margin.

- GST is to be added to the Builder's margin.

12. Prime Cost or Provisional Sum Percentage

Percentage to be added where expenditure is greater than the amount allowed for **prime cost** items or **provisional sum** work. ***Refer to Clause 15(d).***

10 % of the excess

SCHEDULE 3

THE WORK & DOCUMENTS DETAILING THE CONTRACT WORK

(a) **Description of the Work to be completed by the Builder**
eg a brief description, or, as per attached or dated quotation:-

Refer to Scope of Works in Crownview Fee Proposal dated 16th December 2023

Waterproofing Works to Unit 29 Balcony

(b) **Exclusions**

Is any work set out in the contract drawings and/or specifications, or otherwise, **excluded** from the contract Work?

YES x NO

If **yes** list "the work" which will not be carried out by the **Builder**. This, for example, would be work which the **Owner** will do such as painting, landscaping, fencing, and driveways etc, which may form part of the work to be done under the terms of approval but not work to be done by the **Builder**.

(c) **Documents identifying the Builder's work:-**

Drawings

A: Architectural E: Electrical H: Hydraulics L: Landscape M: Mechanical S: Structural

TYPE	DRAWING NUMBER	REVISION	DESCRIPTION	DATE	Document Prepared by or on behalf of Owner / Builder
A			Crownview Fee Proposal (Appendix A)	16/12/2022	Crownview

Specification			
PREPARED BY	DATED	SECTIONS RELEVANT	Document Prepared by Owner / Builder

(d) **THE CONDITIONS OF NECESSARY APPROVALS FOR WORK TO COMMENCE ARE SET OUT IN:**

(identify or describe all documents relevant):

*(Ensure the **Builder** receives a complete copy of **all such documents** before the work starts)*

Has the **Builder** received a complete copy of all documents identifying the conditions of approval as at the date of this contract?

☒ YES ☐ NO (Please tick appropriate box)

SCHEDULE 4

SPECIAL CONDITIONS

If the parties have any terms they wish to add, they should be detailed here as a special condition.
If there are no special conditions a diagonal line should be placed across this page.

Conditions of Contract

1. Responsibility of Builder and Results of Construction

(a) The **Builder** will, subject to these Conditions and the work particulars set out in **Schedule 3**, execute and complete the works required by the Contract.

NOTE: Work which is excluded from the contract work but apparent from the contract documents should be listed at Schedule 3 item (b) or otherwise made clear, through the contract details, that such work is excluded from the work the Builder is to carry out.

Statutory Warranties for Residential Building Work

(b) Pursuant to s18B of the *Home Building Act 1989* (the "Act") the **Builder** warrants that, in relation to any residential building work as defined by the Act:-

(i) the work will be done with due care and skill and in accordance with the plans and specifications set out in the contract;

(ii) all materials supplied by the **Builder** will be good and suitable for the purpose for which they are used and that, unless otherwise stated in the contract, those materials will be new;

(iii) the work will be done in accordance with, and will comply with, the Act or any other law;

(iv) the work will be done with due diligence and within the time stipulated in the contract, or if no time is stipulated, within a reasonable time;

(v) if the work consists of the construction of a dwelling, the making of alterations or additions to a dwelling or the repairing, renovation, decoration or protective treatment of a dwelling, the work will result, to the extent of the work conducted, in a dwelling that is reasonably fit for occupation as a dwelling;

(vi) the work and any materials used in doing the work will be reasonably fit for the specified purpose or result, if the person for whom the work is done expressly makes known to the holder of the contractor licence or person required to hold a contractor licence, or another person with express or apparent authority to enter into or vary contractual arrangements on behalf of the holder or person, the particular purpose for which the work is required or the result that the owner desires the work to achieve, so as to show that the **Owner** relies on the holder's or person's skill and judgment. (**Refer to Schedule 2 item 9**.)

Further to point (vi) above if a purpose listed in **Schedule 2 item 9** alters the work to be done relative to the contract drawings then a variation will be involved.

If the **Owner** does not sign a variation for such work then the drawings will override any special purpose or result listed at **Schedule 2 item 9**.

In other words in such circumstances the drawings represent what is required to be done by the **Builder** and if a special purpose alters that position then a **written** variation must be provided by the **Owner** to the **Builder**. **Clause 14** will then apply.

Plans and specifications

(c) (i) All plans and specifications for work to be done under this Contract, including any variations to those plans and specifications, are taken to form part of this Contract.

(ii) Any agreement to vary this Contract, or to vary the plans and specifications for work to be done under this Contract, must be in writing signed by or on behalf of each party to this Contract.

(iii) This clause only applies to a contract to which section 7AA (Consumer information) of the *Home Building Act 1989* applies.

Quality of construction

(d) (i) All work done under this Contract will comply with:

(a) the *Building Code of Australia* (to the extent required under the *Environmental Planning and Assessment Act 1979*, including any regulation or other instrument made under that Act), and

(b) all other relevant codes, standards and specifications that the work is required to comply with under any law, and

(c) the conditions of any relevant development consent or complying development certificate.

(ii) Despite **Clause 1(d)(i)**, this Contract may limit the liability of the contractor **Builder**, and accordingly the Builder is not liable for a failure to comply with **Clause 1(d)(i)** if the failure relates solely to:

(a) a design or specification prepared by or on behalf of the **Owner** (but not by or on behalf of the contractor **Builder**), or

(b) a design or specification required by the **Owner**, if the contractor **Builder** has advised the **Owner** in writing that the design or specification contravenes **Clause 1(d)(i)**.

2A. Joint Responsibilities of the Builder and Owner

The Parties acknowledge the fact that the amount payable by the **Owner** under this contract and the time taken to carry out the work is subject to change for various reasons. As at the date of the contract the work detailed in **Schedule 3** is work which can be carried out for the contract sum.

The contract sum will be affected by the impact of choices made and work done under the provisional sum and prime cost allowances as well as the various other matters listed on the page 1 warning as to matters which may change the contract price.

The Parties agree that:

(a) they will conduct regular meetings in order to:

(i) review the work done and money paid under the contract;

(ii) review the work to be done and the amount payable for such work; and

(iii) make decisions and choices regarding work under the contract covered by "allowances" (**see Schedule 2 item 11**) and required by variations (**see Clause 14**) so that the work to be paid for by the **Owner** is consistent with the **Owner's** capacity to pay.

(b) any adjustments to the work to be done under the contract are to be recorded in **writing** and signed by both parties. If such adjustment comprises a variation under **Clause 14**, the variation should be valued under that clause and the contract price adjusted accordingly.

(c) they will act co-operatively and in a manner which progresses the works.

(d) either party may require a meeting to be held within **five (5) days** of a **written** request for a meeting. Both parties must attend such a meeting. The party calling the meeting will identify issues to be covered at the meeting.

The **Builder** will provide a report on the matters raised at the meeting within a reasonable time but no later then **ten (10) days** after the meeting.

Connection of Services

(e) (i) The **Owner** is responsible for the provision of services to immediately adjacent to the building footprint.

(ii) The **Builder** is responsible for the connection of those services when immediately adjacent to the building footprint.

(iii) "Services" in this sub-clause means electricity, sewerage, water and gas, if specified in the contract.

(iv) Unless specified in the contract, the **Owner** is responsible for the connection(s) of other services.

2. Owner's Responsibilities Concerning the Works – pre construction & during construction

The **Owner** must:

(a) produce to the **Builder** prior to the commencement of the works:

(i) documentary evidence of the **Owner's** title to the land on which the works are to be executed; and

(ii) documentary evidence of the **Owner's** capacity to pay the **Builder** the contract sum, including a full copy of loan approved documents and terms.

If the **Owner** fails to produce the evidence required by this Clause within **ten (10) days** of the execution of this Contract, the **Builder** may terminate the Contract in accordance with **Clause 29.** *Refer to Clause 29.*

(iii) a survey necessary to set out the works. If the **Owner** does not provide the **Builder** with a survey, or the survey provided is insufficient, the **Builder** is entitled to obtain the survey at the **Owner's** expense.

(b) at the **Builder's written** request produce to the **Builder** at any time prior to practical completion documentary evidence of the **Owner's** capacity to pay the **Builder** the contract sum, including a full copy of any loan approved documents and terms. If the **Owner** fails to produce the evidence required by this subclause within **five (5) days** of the **Builder's** request or the evidence does not reasonably indicate that the **Owner** has the capacity to pay the contract sums, then the **Builder** may suspend works in accordance with **Clause 21**. *Refer to Clause 21.*

(c) make payment as required by the contract. This includes directing any Lending Authority to make payment direct to the **Builder**. *Refer to Schedule 2 item 4 and Clauses 18, 19, 20 and 23.*

(d) provide **written** instructions to the **Builder**, where required, in a timely and proper manner so as to avoid delay to the works. This specifically relates to variations, directions and instructions in relation to work under the contract. If more than one **Owner** then any may provide the instructions required to the **Builder** on behalf of all.

(e) appoint the Principal Certifying Authority (**PCA**) and provide to the **Builder** a list of mandatory critical stage inspections.

(f) pay for any inspection required to satisfy the inspection requirements set as part of the approval process or to confirm that the work under the contract is acceptable to the Principal Certifying Authority (**PCA**).

Owner's Duty to provide full terms of approval to Builder

(g) (i) ensure that the **Builder** receives all terms and conditions of any approval by an Authority which affects or is relevant to the works. This should be done prior to signing the contract. If not it may cause the contract price to change.

(ii) if the Drawings and Specifications are lodged by the **Builder** this duty will be met only if the **Builder** collects the approval documents from the Authority.

(h) if more than one **Owner**, any direction or instruction given to the **Builder** by any **Owner** is binding on all **Owners**.

3. Contract Documentation

(a) The party that provides the Drawings and/or Specification warrants their accuracy and correctness. As of the date of the contract, the work to be done is as set out in **Schedule 3**.

(b) **Schedule 3** requires that the party responsible for having the drawings and or specifications prepared be identified. If that detail is left blank it will be presumed that the **Owner** supplied to the **Builder** all drawings and specifications relevant to the work.

(c) Further to **Clause 3(b)** where the **Builder** does not prepare the drawings, or prepares the drawings under the instruction, direction or supervision of the **Owner** or from sketches supplied by the **Owner**, then the **Owner** indemnifies the **Builder** against all actions,

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proceedings and claims for or in respect of any breach of copyright.

Contract Represents Entire Agreement

(d) Apart from any terms implied by Statute, the whole of the terms, conditions and warranties of this Contract are as set out in the Contract. The same are not in any way varied or affected by reference to any prior negotiations, stipulations or agreement, whether written or verbal.

4. Discrepancies and Ambiguities

(a) Should there be any discrepancy or ambiguity in the contract documents the following order of precedence is to be employed to resolve the same:

(i) this Contract and these Conditions including any Special Conditions; and then

(ii) quotation if attached or referred to in this Contract; and then

(iii) drawings to a larger scale; and then

(iv) other Drawings; and then

(v) the Specification

(b) The **Builder** should notify the **Owner** in **writing** of any discrepancy or ambiguity and request instructions on how to resolve the discrepancy or ambiguity.

(c) Should the **Owner** fail to give **written** instructions within **five (5) days** of receiving notice under **Clause 4(b)**, then the **Builder** may proceed with the work on the basis of the interpretation in accordance with **Clause 4(a)** above.

(d) Should any instruction of the **Owner** require an interpretation to be adopted, other than that in **Clause 4(a)**, then the **Builder** may be entitled to a variation which, if it arises, will be dealt with under **Clause 14**. ***Please refer to Clause 14.***

(e) Notwithstanding this Clause, in case of any difference between scaled dimensions and figures on the Drawings, the figures are to prevail.

5. Approval of Works by Relevant Authorities

Delay in Approval by relevant Authority

(a) Should any necessary approval not be issued within **fifty (50) days** of the execution of this Contract, then either party may, by giving **written** notice to the other, terminate this Contract. Such termination will be without liability to the other except that the **Builder** will be entitled to a reasonable sum for services performed and reimbursement of all expenses incurred and payable as at the date of termination. Any such sum must be paid prior to or upon the termination of the contract.

Compliance with Authority's requirements, particularly mandatory inspections

(b) The documents approving the work will include details of the mandatory inspections required by the **PCA**. As per **Clause 2(f)** such inspections are to be paid for by the **Owner** and are not included in the Contract Price. The **Builder** must arrange with the **PCA** the carrying out of such inspections. The **Builder** should advise the **Owner** when the mandatory inspections will be carried out.

(c) The works will be deemed to comply with the requirements of any Authority upon the issuing, if applicable, of a certificate of compliance or similar document by the relevant Authority.

(d) The inspection and approval of work, by the **PCA** or by a person or party authorised to carry out any inspection required as part of the mandatory inspection process or terms of approval for the work, will satisfy **Clause 5(c)**.

6. Termite Treatment and Maintenance

(a) The **Owner** acknowledges and understands that where a termite treatment system is installed, or forms part of the work, that the same has a limited working life and requires ongoing maintenance and servicing. The **Owner** further acknowledges and accepts that any such system is a management scheme and that termites are a peculiar environmental risk that cannot always be controlled or eliminated.

Work other than to create a new house

(b) In relation to work involving a renovation or addition to an existing residence or structure the **Builder** does **not** warrant:

(i) that any termite treatment system installed as part of the contract work will provide protection to existing parts of the residence or structure; or

(ii) that the termite treatment system installed will prevent the "works" from being affected by an infestation sourced from an existing structure or the environment and through the existing structure.

Owner's Duty to Maintain Termite Treatment System

(c) The **Owner** is solely responsible for having the works and the property inspected in relation to termite activity at least once every **twelve (12) months** with such inspection to be carried out by a licensed pest control person or firm.

(d) The **Owner** agrees to maintain the termite treatment system in the manner specified or required by the manufacturer and installer of such termite treatment system and is responsible for all acts necessary or required to maintain any warranty.

(e) No action will lie against the **Builder** for any costs:

(i) incurred by or work done by or for the **Owner** or necessary to maintain the termite treatment system; or

(ii) incurred or necessary because of the failure by the **Owner** to do a thing relevant to the proper working or maintenance of the termite treatment system.

7. Lending Authority Procedures

In respect of that part of the Contract Sum for which finance is being provided to the **Owner** by a Lending Authority (***refer to details inserted at page 4***) the following provisions apply:

(a) The **Owner** will, prior to the commencement of the works, irrevocably authorise and direct the Lending Authority to pay to the **Builder** monies, which become due to the **Builder**. The **Builder** is to receive a copy of this irrevocable authorisation within **five (5) days** of a **written** request for the same.

(b) The **Owner** must provide or cause to be provided to the **Builder written** notice of the various stages at which inspection of the works will be required by the Lending Authority. The **Builder** is to notify the Lending Authority when such stages have been reached.

(c) Where check or progress surveys or inspections are required by the Lending Authority, the **Builder** must promptly inform the **Owner** when the works reach the required stage. The **Owner** is responsible for having the survey or inspection carried out within a reasonable time.

(d) The **Builder** is to take such reasonable steps as may be required on its part to facilitate inspection of the works by the Lending Authority.

(e) The **Builder** may also require that, prior to the execution of any variation, the **Owner** produce the **written** consent of the Lending Authority to the variation.

8. Possession of the Site, Access, and Site Meetings

(a) (i) The **Builder** is to have exclusive and uninterrupted possession of and access to the site for the performance of work. The possession to be given to the **Builder** includes access to other parts of the property necessary to enable the **Builder** to carry out work.

(ii) If access is required to any other property in order for the works to be carried out it will be the responsibility of the **Owner** to do or authorise any actions necessary to gain such access.

(b) The **Owner** acknowledges that the site is a **work site** which, by reason of the work to be undertaken, can be a dangerous place. As such the **Owner** will comply with any direction of the **Builder** concerning site access and movement around the site.

(c) If the **Owner** accesses the site without the **Builder's** written approval, the **Builder** can suspend the works and claim delay costs. ***Refer to Clauses 21(a)(v) and 11(a)(ii) and (f)***.

(d) The **Owner** or his duly appointed representative or an authorised officer of the Lending Authority may have access to the site for the purpose of inspecting and viewing the progress of the works but only with the consent of the **Builder**. Access to the site by the **Owner** without **Builder** supervision and permission is not allowed.

Site Meetings are strongly recommended

(e) The **Owner** or a person authorised by the **Owner** to provide instructions to the **Builder** concerning the works is to be available to attend on site at times nominated in any construction program provided by the **Builder** or otherwise at mutually agreed times. The parties agree to use any such meetings to discuss and resolve issues relating to the works. See also **Clause 2A**.

Meetings under either clause can be relied upon and should be used to progress the work and resolve issues affecting the work.

The **Builder** may record minutes of any meetings and will provide a copy of any such minutes to the **Owner**.

(f) Neither the **Owner** nor any duly appointed representative will give or be entitled to give at any time directions to the **Builder's** workers or Trade Contractors relating to the works or any part thereof. Any instructions by the **Owner** concerning the works are to be in **writing** and are to be provided directly to the **Builder**.

(g) The **Owner** is not to instruct any trade contractor engaged by the **Builder** nor cause a trade contractor engaged by the **Owner** to attend the site without the **Builder's written** permission.

9. Quality and Availability of Materials

(a) The **Builder** will obtain and use materials which comply with the requirements of this Contract.

(b) The **Builder** is entitled to rely on materials required to carry out the work being readily available. If, for reasons beyond the control of the **Builder**, materials are hard to get or delay will be experienced because the material required is hard to get or unavailable, then the **Builder** is entitled to an extension of time. ***Refer to Clause 11(a)(xii).***

(c) If any material specified to be used in the works cannot be obtained or can only be obtained with an unreasonable period of delay, the **Builder** will seek instructions concerning substitutes to be used. Any price difference will be deemed to be a variation pursuant to **Clause 14**. ***Refer to Clause 14.***

(d) If any materials are supplied by or specified to be used by the **Owner**, or required pursuant to plans and or specifications supplied to the **Builder** by or on behalf of the **Owner**, then the **Builder** is entitled to rely on the **Owner's** warranty that the same are fit for the purpose for which the **Builder** is directed or required to use such materials.

(e) Any demolition material which the **Owner** wishes to keep must be detailed at **Schedule 2 item 6**. Otherwise all demolition material will become the property of the **Builder**.

10. Date for Commencement and Time for Completion of Works

(a) The **Builder** should commence the works:

(i) on the date specified in **Schedule 2 item 5(a)**;

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(ii) within **twenty (20)** days after the **Owner's** compliance with **Clause 2(a)**;

(iii) within **twenty (20)** days after receipt of the Construction Certificate; or

(iv) after any deposit referred to at **Schedule 2 item 4(a)** is paid;

whichever is the later. If the commencement of the work will be delayed the **Builder** is to notify the **Owner** in **writing** and advise why. **See Clause 11(a).**

(b) The **Builder** is to proceed with due diligence and bring the works to Practical Completion within the Construction Period stated in **Schedule 2 item 5(b)**. The construction period and consequently the date by which practical completion is to be achieved are subject to change under **Clause 11**. *Refer to Clause 11.*

Compensation may be payable by Builder

(c) (i) If the **Builder** fails to bring the works to Practical Completion by the Date for Practical Completion calculated in accordance with **Schedule 2 item 3(a),** extended as provided for in **Clause 11**, then the **Builder** is to pay or allow to the **Owner** by way of agreed pre-estimated general and liquidated damages, a sum calculated at the rate stated in **Schedule 2 item 3(a)**.

(ii) This amount will be applied to the period from the day after the Date for Practical Completion under the contract until the date Practical Completion has been achieved in accordance with **Clause 22**. *Refer to Clause 22.*

(iii) Any amount payable under this clause cannot be deducted from any payment until such time as the actual date of practical completion has been determined.

(iv) If 'nil' is inserted or no amount is specified at **Schedule 2 item 3(a)** then it is agreed that no damages are payable in relation to the time to complete the works. Any amount inserted must reflect the actual cost of the delay to the **Owner**.

(d) During the execution of the works the **Builder** will, in response to a **written** request from the **Owner**, state his estimate of the time that will elapse before the works will reach Practical Completion. This estimated date is subject to change pursuant to **Clause 11** and is to be based upon the **Builder's** knowledge of the works as at the time of the request.

11. Delays and Extensions of Time

(a) Should the progress of the works be delayed by any of the following matters, conditions or consequences resulting from them:

(i) variations;

(ii) suspension of the works under **Clause 21**;

(iii) latent conditions affecting the site, the ability to carry out work or requiring work;

(iv) proceedings taken or threatened by, or disputes or access arrangements with adjoining or neighbouring **Owners** or residents;

(v) any act, default, delay or omission on the part of the **Owner**, an agent of the **Owner**, or a nominated subcontractor, including but not limited to providing instructions, making payment or doing a thing necessary to allow the works to proceed (including signing instructions concerning variations);

(vi) delay in having a mandatory inspection carried out by the PCA or an authorised person;

(vii) an instruction by the **Owner** to stop the works;

(viii) delay due to an insurance claim by the **Owner** or the **Builder**, or due to works resulting from such an insurance claim;

(ix) civil commotion or industrial dispute affecting any of the trades employed upon the works or the manufacture or supply of materials for the works;

(x) inclement weather and the effect of weather on site access, site safety or the ability to do the work;

(xi) delay by any local or other authority in granting any necessary consent or approval where the word "authority" includes the PCA or any party authorised or allowed to carry out a mandatory inspection;

(xii) any other cause, thing or matter beyond the reasonable control of the **Builder**, such as shortages or delays in trades or materials, which affect the **Builder's** ability to do the work;

then in any such case the **Builder** must receive a fair and reasonable extension of time to the Construction Period.

Builder to Advise of Delay

(b) The **Builder** is entitled to a reasonable extension of time to the Construction Period for any delay referred to in **Clause 11(a)**.

(c) The **Builder** will issue a notice after the period of delay is determined stating the extension of time to the Construction Period.

(d) Delay in notifying or a failure to notify a delay will not of itself prohibit an extension of time provided the matter which is claimed to cause delay is shown to cause delay to the works.

(e) The **Builder** must use his best endeavours to minimise any delay.

Compensation to Builder for Delay not caused by Builder

(f) If the delay results from any of the matters listed in **Clauses 11(a)(ii), (iii), (iv), (v), (vi), (vii) or (xi)**, then the contract price is to be adjusted to include an amount calculated to cover the cost or expense of the delay incurred by the **Builder**. Variation delays are adjusted pursuant to **Clause 14**.

The amount payable will be determined with reference to **Schedule 2 item 3(b)**.

If no amount is specified in **Schedule 2 item 3(b)** then the actual costs of the delay will be payable, if claimed by the **Builder**.

(g) Delays due to work health and safety issues concerning work site access, work site conditions and the ability to work safely will enable the **Builder** to claim additional time and will alter the Construction Period.

12. Compliance with the Requirements of Local and Other Authorities and Inspections

(a) (i) The **Builder** is to comply with and give all notices required by an Act of Parliament or by any regulation or by-law of any local authority or of any public service company or authority which has jurisdiction over the works or with whose systems the same are or will be connected, to the extent applicable to the contract works.

(ii) The **Builder** is to pay and indemnify the **Owner** against any fees or negotiated charges legally demandable under the Act of Parliament, regulation or by-law in respect of the works.

However the **Builder** will not be responsible for any fees, charges or taxes that take effect, are imposed, payable or adjusted (to the extent of the adjustment) after the date of this Contract. Any such new or increased amounts will be payable by the **Owner**.

(iii) to avoid confusion **the contract price**, unless it is specifically stated in **Schedule 4** to be otherwise, **does not include** any amount for fees payable for mandatory inspection, inspections by a lending institution or any inspections which the **Owner** may request be done.

Written Notice of Need to alter proposed work or processes

(b) The **Builder**, before making any variation from the Contract Drawings or Specification necessary for compliance with **Clause 12(a),** is to give to the **Owner written** notice specifying and giving the reason for the variation and applying for instructions. The **Owner** is to provide **written** instructions to the **Builder** within **five (5) days**.

(c) If after **five (5) days** of having applied for the instruction referred to in **Clause 12(b)** the **Builder** does not receive those instructions, the **Builder** is entitled to proceed with the work conforming to the provision, regulation or by-law in question and any variation thereby necessitated will be treated a variation under **Clause 14**. *Please refer to Clause 14*. The said provision, regulation or by law will for the purposes of this section, be taken to be a **written** instruction by the **Owner** to the **Builder** or equivalent to a contract document altering the work.

Circumstances which requires quick action or insufficient time to provide notice

(d) (i) The **Builder** is not required to provide the **written** notice pursuant to **Clause 12(b)** above whenever the work to be carried out is urgently necessary to prevent loss of or damage to the works or to any property or to prevent personal injury to or the death of any person.

(ii) The **Builder** is to give the **Owner written** notice as soon as practicable after the such work has commenced. The said notice should specify the reasons for not giving the notice in **writing** required by **Clause 12(b)** above and advise the reason for the variation.

(e) If compliance with the requirements of this clause involves the **Builder** in loss or expense beyond that provided for in this Contract, the amount of that loss or expense is to be added to the Contract Sum and valued in accordance with **Clause 14**.

13. The Site is presumed suitable for and able to support the Works

(a) The **Owner** warrants that the site and or any existing structure will support and allow the works to be carried out. This is the basis upon which the **Builder** has priced and agreed to do the work.

(b) The **Builder** must promptly give **written** notice to the **Owner** should it appear to him that the site and or existing structure will not support the works. The **Owner** must provide **written** instructions within **five (5) days** of this advice as to what the **Owner** wishes to be done.

Investigations can be requested and required

(c) Either the **Builder** or the **Owner** may employ the services of a geotechnical engineer to investigate the site and or existing structures in relation to the site being able to support the work. The cost of such consultation is to be paid for by the **Owner** as a cost not otherwise allowed for in the contract sum. Such geotechnical investigations must be carried out if requested by the **Builder**.

(d) Should it appear as a result of excavating for footings, services or otherwise, as indicated in the notice from the **Builder**, that the site and or an existing structure will not support the works then the Contract may be terminated. The **Builder** is to be paid the cost of all work undertaken by the **Builder** plus any costs or amounts payable because of the contract being terminated under this provision. Such amounts include money paid by the **Builder** which is not recoverable by the **Builder** or which has to be paid by the **Builder** because of this contract ceasing to operate.

14. Variations – How to Deal with Changes to the Work

(a) The works may be varied by such things as:

(i) execution of additional work;

(ii) decreases in or omissions from the works;

(iii) changes in the character or quality of any material or work such as may be necessary due to the existence of a latent condition;

(iv) changes in the levels, lines, positions or dimensions of any part of the works.

(b) For the sake of clarity a variation is established by:

(i) **written** instructions from the **Owner** or the **Owner's** representative; and or

(ii) the supply to the **Builder** of post contract details such as drawings; and or

(iii) the discovery of an otherwise unknown or latent condition; and or

(iv) an instruction issued by a relevant authority under **Clause 12**

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which alters the work done, the work to be done or requires adjustments to an existing situation or the work which was otherwise expected to be done.

Accordingly a variation may, for example, result from such things as a request from the **Owner**, a choice made by the **Owner**, dealing with latent conditions and complying with the requirements of an Authority.

(c) The **Builder** is not obliged to vary the Contract works or carry out any extra work unless the **Builder** consents. Such consent will not be unreasonably withheld.

(d) (i) If the **Builder** agrees to undertake a variation requested or required by the **Owner**, the variation is to be detailed in **writing** and signed by the **Owner** (or the **Owner's** agent) and the **Builder**. Documents detailing the variation, including as appropriate, amended drawings or specifications, become contract documents.

(ii) The **Builder** may require, prior to the execution of any variation that the **Owner** produce evidence, satisfactory to the **Builder**, of the **Owner's** capacity to pay for the variation.

Builder to Advise Value of Variations

(e) The **Builder**, within a reasonable time of receipt of instructions to execute a variation (i.e. an instruction signed by the **Owner** or **Owner's** agent), is to notify the **Owner**, in **writing**, of the value of the variation.

Less Work due to a variation

(f) Where the works are decreased or omissions from the works are made the cost of the work not now required is to be deducted from the contract price. Cost in this case means the actual cost of labour, subcontractors or materials saved by the **Builder** because the work is now not required to be done. No other deduction is required by reason of the work or aspect of work being decreased or omitted.

Additional work due to a variation

(g) Where the work to be done is increased, the cost of the extra work is to be added to the contract price. The **Builder** can choose when and how often to claim payment for variation work and is not required to wait until the next stage claim.

(h) Where a price has not been previously agreed for additional work, the **Builder** may proceed with the variation work and the price to be paid for the work will be the **cost** as calculated in accordance with **Clause 14(i)** below, together with the allowance specified in **Schedule 2 item 1** for overheads and profit.

(i) The cost referred to in **Clause 14(h)** above, unless otherwise agreed, will be calculated as follows:

(i) for work, including supervision and administration, by the **Builder** or **Builder's** employees, the rates for such labour are those set out in Item **Schedule 2 item 2**. If no rates are shown, then the rates to be used are the rates published by the Master Builders Association of NSW current at the time the variation is made;

(ii) where **the work** or some part of it **is executed by a sub-contractor**, the cost to be paid under **Clause 14(h)** above is the amount properly paid or payable to the sub-contractor which will be established by provision of a proper tax invoice from the sub-contractor engaged to do the extra work.

(iii) the price for materials is the cost of the materials to the **Builder**. The **Builder** is not entitled to any discount other than a discount for prompt or cash payment.

All Directions Concerning Work are to be Given to the Builder

(j) Neither the **Owner** nor any duly appointed representative will give or are entitled to give at any time directions to the **Builder's** workers or sub-contractors concerning the works or any part thereof. All instructions are to be given to the **Builder** and are to be in **writing**.

15. Prime Cost Items and Provisional Sum Work

(a) Details of any prime cost items or provisional sums are set out in the table of allowances for:-

"A" Prime Cost Items; and

"B" Provisional Sums

at **Schedule 2 item 11.**

The sums listed at **Schedule 2 item 11** are allowances. They are not guaranteed or lump sum amounts.

(b) Where prime cost or provisional sum items are included in the contract price and works, the **Owner** must furnish to the **Builder written** directions regarding the selection and supply of the work and or goods represented by such sums in sufficient time to ensure that no delay is occasioned in the progress of the works. The **Builder** should make any request for information about such work or goods in reasonable time and in **writing**.

Actual amount spent in total is different to the total amount allowed

(c) If any part of each prime cost or provisional sum item is not expended then that amount is to be deducted from the contract price. The amount to be deducted is the difference between the amount allowed, excluding any **Builder's** margin, and the amount actually spent or the debt incurred to have the work done or item supplied.

(d) In the event that the amount expended in respect of each prime cost or provisional sum item exceeds the amount allowed in **Schedule 2 item 12** the contract price, the excess amount exclusive of GST, together with the percentage on the excess specified in **Item 12 of Schedule 2**, is to be added to the contract price. The price adjustment arising is to be properly adjusted to ensure that the correct amount of GST is paid by the **Owner**.

(e) Normal trade discounts are to be allowed in favour of the **Owner**. However any cash discounts or discounts for prompt payment are to be allowed in favour of the **Builder**.

Owner *may be required to provide payment to allow work to be done*

(f) (i) When a choice is made by the **Owner** in relation to a prime cost item, the **Builder** may require the **Owner** to pay the supplier monies required by the supplier to start or progress the work.

(ii) Any such payment will be for and on behalf of the **Builder**. The **Builder** will account for any such payment in the next progress claim.

16. Assignment and Subletting

(a) Neither party to this Contract can assign the Contract without the **written** consent of the other. Such consent will not be unreasonably withheld.

(b) The **Builder** may subcontract any portion of the works, but any subcontracting will not relieve the **Builder** from any of his liabilities or obligations under this Contract.

17. Insurance Responsibilities

Home Building Compensation Fund Insurance (Builder)

(a) Under the *Home Building Act 1989* it is the duty of the **Builder** to provide to the **Owner**, prior to receipt of money, a copy of the Home Building Compensation Fund certificate of insurance for the works where the value of the works, at the time of contracting, is $20,000 or more.

If the contract is signed before such insurance is available then it is signed subject to the insurance being made available to the **Builder**. If the **Builder** can not get insurance on terms acceptable to the **Builder**, then the **Builder** may cancel the contract without penalty and without claim by the **Owner**.

Workers Compensation (Builder)

(b) The **Builder** must comply with its obligations under relevant workers compensation legislation.

Injury to Persons (Builder)

(c) The **Builder** will insure in respect of and against any loss arising under any Statute [other than as provided in **Clause 18(a)**] or at common law in respect of personal injury to or death of any person arising out of or in the course of the works except to the extent that the loss arises out of any act or neglect of the **Owner** or of any other person for whom the **Owner** is responsible.

The Works (Builder)

(d) (i) The **Builder** in his name will;-

(a) obtain and effect Contract Works Insurance.

(b) for at least the full reinstatement value of the works.

(c) including all unfixed materials stored upon the site.

The policy should record the **Owner** as an interested party.

If the **Builder** does not comply with this sub-clause, the **Owner** may insure and deduct the premium paid from any monies due or to become due to the **Builder**.

(ii) The policy of insurance will provide that insofar as the policy may cover more than one insured all insuring agreements and endorsements with the exception of limits of liability will operate in the same manner as if there were a separate policy of insurance covering each party comprising the Insured.

(iii) The policy of insurance will not cover any act or omission of the **Owner** or their consultants, agents, employees or other contractors.

(iv) The policy of insurance will not cover any loss or damage caused by the use of the works or occupation by the **Owner** or their consultants, agents, employees or other contractors.

Damage to Property (Builder)

(e) (i) The **Builder** will insure against any loss in respect of injury or damage to property, real or personal, in so far as the injury or damage arises out of or in the course of or by reason of the execution of the works.

(ii) The **Builder** will only be liable if the injury or damage is due to any negligence, omission or default of the **Builder**, his servants or agents or of any **Builder's Builder**. The **Builder** will not be negligent or guilty of an omission or default where the actions taken by the **Builder** are found to be inappropriate or ineffective due to or because of events beyond the control of the **Builder** such as violent storms, earthquakes, fire, civil commotion or acts of God.

(f) (i) The **Builder** will, upon settlement of any claim under these policies, proceed with diligence to rebuild or repair the works and replace or repair the materials destroyed or damaged.

(ii) Any amount so payable in respect of the settlement is to be immediately paid:-

(a) into a bank account in the names of the **Owner** and the **Builder**, but operated by the **Builder**; or

(b) directly to the **Builder**,

in stages or otherwise, by the insurance company liable to make the payment.

(iii) The money paid under the insurance policy is to be used to allow the **Builder** to rebuild or repair the works covered by the insurance policy. However the **Builder** is, apart from this, to be paid by the **Owner** the proper value of the work done prior to the insured event occurring.

(g) **Period and Currency of Insurance**

(i) The insurances referred to in this Clause are to be effected before the works are commenced and maintained effective in respect of the works until Practical Completion or occupation or use of the works or any portion by the **Owner** and in respect of Public Liability and of Workers Compensation until the end of the Defects Liability Period.

(ii) The party responsible for effecting and maintaining insurances must produce evidence of currency and insurance upon request by the other party.

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(iii) If a party fails to insure, the other party may take out the insurance and the premium is to be added to or deducted from the contract sum as the case may require.

(iv) The **Builder** only warrants that any certificate of Home Building Compensation Fund insurance is from a Government approved provider and complies with the Act as at the date it is obtained.

(h) **Occupation or Use by Owner (Owner)**

Notwithstanding **Clauses 17(c)** and **(e)**, should any portion of the works be utilised by the **Owner** or a tenant of his or their employees during the progress of the works, the **Builder** will not be liable for any injury to or the death of any person or loss or damage to property which may be occasioned by reason of the utilisation of the portion of the works by the person or persons.

(i) **Owner to Insure Existing Structures & Contents (Owner)**

Any existing structures together with all the contents thereof on the site of the works are at the sole risk of the **Owner** who must maintain insurance against the risk of insurable loss or damage thereto [including consequential loss to the **Owner**]. The **Owner** is to advise their insurer of the work to the premises and ensure that such cover is in place.

(j) **Upon the Works Reaching Practical Completion (Owner)**

The works will be at the risk of the **Owner** in all respects once Practical Completion is reached or from the date possession is taken where the circumstances referred to in **Clause 22(f)** arise. The **Owner** will be solely responsible for insurance coverage of the works in either of these events.

18. Deposit

(a) The **Owner** subject to having been provided, if applicable, with a copy of the Home Building Compensation Fund certificate of insurance for the work, is to pay a deposit before the commencement of work. The amount of the deposit is detailed at **Schedule 2 item 4(a)**.

(b) Pursuant to the Act the deposit is not to exceed 10% of the contract price.

(c) The deposit is to be deducted from the final payment claimed in accordance with **Schedule 2 item 4(a)**.

(d) The deposit is not be deducted in accordance with **Clause 18(c)** above if it has already been taken into account in the payment schedule in **Schedule 2 item 4(a)**.

19. GST

(a) The work under this contract is subject to GST. All prices will be treated as GST inclusive unless specifically stated to be "plus GST @ 10%" or words of a similar effect.

(b) The **Owner** is the party liable to pay the proper amount of GST applicable to the works.

(c) When the work is varied or changed the amount payable for GST will be adjusted to include the proper amount of GST applicable to the work as varied or changed.

(d) The **Builder** must include the proper amount of GST in each claim or any final claim and warrants that the proper amount of GST has been included. This should be quoted as a separate amount otherwise it will be deemed to be 1/11th of the amount claimed.

(e) To recover the GST the **Builder** must:-

(i) be a GST registered entity; and

(ii) provide the **Owner** a tax invoice in the form approved by the Australian Taxation Office for the amount which includes GST.

20. Payment

NOTE: The contract parties are encouraged to make and pay smaller and more frequent claims as this is a good way to review and monitor the work and payment for work.

(a) The Contract price or sum is to be paid to the **Builder** in accordance with **Schedule 2 item 4** and may be claimed in any order.

(b) A payment claim by the **Builder** is to show:

(i) the stage of the contract work performed at the date of the claim;

(ii) the value and brief description of any variations which are included in the claim;

(iii) other adjustments under the provisions of the Contract; and

(iv) the proper GST charge relevant to the works to which the claim relates.

(c) The **Owner** must pay the amount of the payment claim to the **Builder** within the period stated in **Schedule 2 item 4(d)**. If no period is stated the payment must be made, within **five (5) days** of the date the claim was submitted to the **Owner**.

How to determine if a stage has been reached?

(d) (i) A stage of the works is to be treated as reached, and therefore enabling a payment claim to be made, when it is complete except for minor omissions or defects.

(ii) If the **Owner** identifies in **writing** within **two (2) days** of receipt of the claim work which is omitted, incomplete or defective and for which no deduction has been made then an amount equal to no more than 2.5% of the amount claimed may be withheld unless an alternative amount has been agreed between the parties. Any amount withheld becomes payable once the work omitted, incomplete or defective has been completed.

(e) The making of any payment to the **Builder** is to be taken as payment on account.

(f) If the **Owner** fails to pay any or part of any payment by the due date, the **Builder** is entitled to interest on the overdue amount at the rate specified in **Schedule 2 item 4(e)**.

(g) For the purpose of identifying when a payment is to be made the definition of days in **Clause 32** is

to be replaced with a day when banks or financial institutions are opened for business.

(h) Any waiver or reduction by the **Builder** of any entitlement to moneys under this contract is dependent on the **Owner** paying all moneys due under this contract in accordance with **Schedule 2 item 4(d)**.

21. Suspension of Work

(a) Should the **Owner**:-

(i) fail to pay or cause to be paid any payment or any part thereof including an amount for GST within the time required by **Schedule 2 item 4**;

(ii) fail to confirm in **writing** instructions regarding an **Owner** requested or a necessary variation to the works;

(iii) fail to provide **written** instructions in a manner and time so as to reasonably avoid delay to the progress of works;

(iv) fail to provide evidence of their capacity to pay the balance of the Contract Sum satisfactory to the **Builder** as required by **Clause 2(a) or 2(b)**; or

(v) or the **Owner's** agent access the site or cause independent sub-contractors to attend the site address without the **Builder's written** consent;

(vi) threaten the **Builder** or any employee, agent or subcontractor of the **Builder**.

THEN the **Builder** may, without prejudice to his right to determine this Contract, suspend the works.

Suspension pursuant to this clause will act as a bar to any claim for damages, compensation or offset by the **Owner** against the **Builder** which relates to the period of suspension or consequences of such suspension.

(b) The **Builder** is to give notice in **writing** of any suspension under **Clause 21(a)** to the **Owner**.

(c) Should the **Owner** direct the **Builder** to not proceed with the works then without prejudice to the **Builder's** right to terminate this Contract or to claim delay costs pursuant to **Clause 11(f)**, the Contract is automatically suspended.

(d) The parties must, in relation to a dispute as to payment or otherwise, conduct a meeting pursuant to **Clause 26**. *Please refer to Clause 26*.

(e) The **Builder** must recommence the works within **twenty (20) days** of the default in **Clause 21(a)** or **(c)** being rectified, or, in the case of **Clause 21(a)(v)**, the **Owner** providing a **written** undertaking to not repeat that conduct.

(f) Any period of suspension will automatically and as of right extend the construction period and by consequence the date for practical completion.

(g) Failure to pay a final payment will entitle the **Builder** to suspend any maintenance work under **Clause 24**. However such suspension does not extend or prolong the Defects Liability Period.

22. Practical Completion

(a) Practical Completion is that stage when:

(i) the works are complete except for minor omissions and defects which do not prevent the works from being reasonably fit for their intended use; or

(ii) where **Schedule 2 item 9** is relevant, the purpose or result stated therein being achieved subject to an exception for minor omissions and defects which do not prevent the reasonable achievement of the outcome listed at **Schedule 2 item 9**.

(b) For the purposes of this Clause the works that need to be completed to achieve Practical Completion do not include

(i) the results of any labour or materials which are to be or were supplied or fixed by the **Owner** or work done or to be done by the **Owner**; or

(ii) the provision of any certificates required to obtain an occupation certificate unless the **Builder** is the party who is to obtain the occupation certificate.

In this contract unless stated otherwise as a special condition it is not the **Builder's** obligation to obtain an occupation certificate.

(c) When in the opinion of the **Builder** the works have reached Practical Completion, the **Builder** is to give to the **Owner** notice of this in **writing**.

(d) Within **five (5) days** after the service of notice of a Practical Completion the **Owner** must give to the **Builder** a **written** list, of all those things (if any) required by this Contract to be done to achieve Practical Completion. The **Builder** is to as soon as possible do all those things necessary for Practical Completion and give to the **Owner notice in writing** on completion of such things.

(e) In the event of the **Owner** not complying with the provisions of **Clause 22(d)**, the works will be deemed to have reached Practical Completion.

Occupation or use will amount to Practical Completion

(f) (i) Should the **Owner** or any tenant or their employees or agents take possession of the works or any part of the works without the **written** agreement of the **Builder**, the date of Practical Completion will be the date possession is taken, unless Practical Completion has already been reached.

(ii) Without limiting the generality of this clause possession being taken will be established by any or all of such things as placement of furniture, use of any part of works, denial of access of the **Builder** to the works or work site or action by the **Owner** or their agent which prevents the **Builder** undertaking work.

Owner must insure

(g) The works are at the risk of the **Owner** in all respects upon Practical Completion or upon the date possession is taken in the circumstances referred to in **Clause 22(f)**. The **Owner** will be solely responsible for insurance coverage of the works in either of these events.

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23. Payment on Practical Completion

(a) When Practical Completion is achieved, the **Builder** is entitled to and must receive the unpaid balance of the Contract price or sum together with any other monies which are payable in connection with this Contract .

(b) The amount due under this Clause must be paid to the **Builder** within **two (2) days** of a **written** request or invoice for payment due because practical completion has been reached. This request is to give brief, accurate particulars of the claim.

(c) Should the **Builder** not receive from the **Owner** any payment or part of any payment on Practical Completion by the due date the **Builder** is entitled to interest at the rate specified in **Schedule 2 item 4(e)**.

(d) The **Owner** is not entitled to take possession of the works nor receive the keys and any certificates until payment to the **Builder** of all monies due under this Contract has been made.

(e) The **Builder**, at the **Owner's** cost is entitled to and required to take all actions to secure the property so as to prevent entry, other than by normal means, prior to final payment being made.

24. Defects Liability Period – Builder's Obligations

(a) The Defects Liability Period commences upon Practical Completion of the works and will continue for the period stated in **Schedule 2 item 7**, or if no period is stated, for **thirteen (13) weeks**.

(b) Prior to the expiration of the Defects Liability Period the **Owner** is to provide to the **Builder** a **written** list of all defects or faults arising out of workmanship or material provided by the **Builder** which is not in accordance with the Contract. The parties must meet to review the items listed by the **Owner**, if the **Builder** requests such a meeting.

(c) The **Builder** is to make good defects or faults which are attributable to the **Builder's** work or failure to do something at his own cost and within a reasonable time of notification.

(d) The **Owner** is to allow the **Builder** the opportunity to attend and rectify the defects or faults identified. Any dispute as to defects or faults does not prevent the **Builder** exercising the right to attend to inspect and or rectify the works.

(e) The **Owner** must provide access for the **Builder** to carry out his obligations under this clause during normal working hours Monday to Friday and must allow a reasonable time for such work to be carried out. The parties are free to agree on alternative times for any such work to be carried out.

(f) Subject to **Clause 24(d)**, if the **Builder** fails to comply with his obligations under this Clause within a reasonable time of a notification made under **Clause 24(b)** then the **Owner** may, after giving the **Builder twenty five (25) days written** notice, engage others to make good the listed defects or faults. The **Owner** must provide access to the site for the **Builder** to do rectification work within this notice period.

(g) The **Builder's** duty to attend to and carry out work pursuant to this clause is limited to work and materials or defects which directly relate to the workmanship of the **Builder**. The **Builder's** duty does not extend to matters caused by:-

(i) the use or occupation of the works by the **Owner** or their agents;

(ii) fair wear and tear or design faults where the design is not the responsibility of the **Builder**; or

(iv) a failure to maintain the works post practical completion.

Further where the work involves a renovation, any **Builder's** duty to attend to and carry out work pursuant to this clause does not cover matters arising from conditions in the existing structure.

After Defects Liability Period and or work by Builder is completed

(h) At the end of the Defects Liability Period and subject to the matters identified in the **Owner's written** list of issues being dealt with as set out above, the work of the **Builder** is agreed to have been completed as required by the Contract.

Parties to work Cooperatively

(i) The **Owner** and **Builder** agree to utilise the Defects Liability Period to identify and resolve issues covered by this clause. Consequently there is no breach by the **Builder** if matters are not immediately attended to. However the **Builder** must with regard to matters covered by the Defects Liability Period act with reasonable speed in carrying out necessary work.

25. Owner's Maintenance Obligations After Practical Completion

(a) (i) The **Owner** is required to and agrees to carry out ongoing maintenance to the property and specifically the works from the date of Practical Completion. Failure to do this properly or adequately will render the **Owner** liable for consequential damage, loss or expense in relation to the works.

(ii) Without limiting the above clause this ongoing duty of the **Owner** covers things such as painting, termite management and termite system maintenance and general property inspections, cleaning and maintenance.

(b) (i) If the **Owner** discovers a matter or thing which they believe is the responsibility of the **Builder** they must promptly notify the **Builder** in **writing** of the matter or thing and allow the **Builder** free access to review the matter of concern.

(ii) Unless the **Owner** allows access for the **Builder** and provided the **Builder** responds within the Defects Liability Period or if that period has expired within **twenty five (25) days** of receipt of the notice then the **Owner** agrees not to make any claim about or take any action against the **Builder** in relation to the works.

(iii) The **Builder** is to be allowed to carry out any necessary work provided it is within the above time periods.

(c) The **Builder** is not obliged to carry out work where the need for the work is due to:

(i) a failure by the **Owner** to properly maintain the works; or

(ii) fair wear and tear caused by use of the works; or

(iii) the exposure of the works to the environment in which they are situated; or

(iv) a design related matter where the design is not the **Builder's** responsibility; or

(v) a matter beyond the control of the **Builder**.

26. Dispute Resolution

Reference to NSW Fair Trading Guide to Standards & Tolerances

(a) The parties agree that where a property of an item of work performed by the **Builder** satisfies the requirements of the Guide to Standards and Tolerances that property will not cause that item of work to be defective. However if the item of work does not satisfy the requirements of the Guide to Standards and Tolerances that alone will not be sufficient to determine such item to be defective, being a matter to be determined in the context of the Works.

Notify the other party of matters in dispute

(b) If any dispute or difference (a dispute) concerning this Agreement or work arises between the **Owner** and the **Builder** then the party saying there is a dispute **must** give the other **written notice of the dispute**.

Parties must meet and seek to resolve dispute

(c) Within **ten (10) business days** after the giving of such a notice the parties must confer at least once to attempt to resolve the dispute or to agree on methods of resolving the dispute by other means such as mediation, expert determination or arbitration. The mediator, expert or arbitrator is set out at **Schedule 2 item 8**. At any such conference each party must be represented by someone having authority to settle the dispute.

(d) Any agreement reached at the above meeting is to be recorded in **writing** and a copy kept by both parties. An agreement may be relied upon as an addendum to this contract and used as a response to any subsequent action or inaction by a party to this agreement.

(e) In the absence of such a meeting a party is not entitled to terminate the contract whether pursuant to **Clauses 28 or 29** or otherwise. However, if a party refuses to attend the meeting the other party can rely on it's willingness to attend as satisfying the holding of the meeting and thereby proceed pursuant to **Clause 28 or 29** as appropriate.

27. Details Required To Support Notices Under Contract or to Substantiate a Dispute

With regard to any notice issued by a party pursuant to or which relies upon **Clauses 26, 28 or 29** the said notice must accurately set out the matters giving rise to the issuing of the notice. Any notice which merely recites the words or intent of **Clause 26, 28 or 29** without proper details will not be a valid notice.

28. Termination by the Owner

(a) Subject to compliance with **Clause 26**, if the **Builder** is in default in any of the following respects, namely:

(i) subject to limitations in the *Corporations Act 2001* (Cth), commits an act of insolvency; or

(ii) fails to proceed with the works with due diligence or in a competent manner with regard to the circumstances of the contract works; or

(iii) if without cause under the contract the **Builder** wholly suspends the carrying out of the works before Practical Completion; or

(iv) if the **Builder** refuses or persistently neglects –

(a) to comply with the requirements of **Clause 12** of these conditions; or

(b) to remove or remedy defective work or improper materials, so that by the refusal or persistent neglect the works are materially affected; or

(v) if the **Builder** states in **writing** that he/she or it is unable or unwilling to complete the works or abandons the Contract;

AND if,

in the case of any default that is capable of remedy, the default continues for **twenty five (25) days** after notice in **writing** has been given to the **Builder** specifying the default and stating the **Owner's** intention to terminate this Contract, THEN the **Owner** may, without prejudice to any other rights or remedies, by notice served as allowed by **Clause 30**, terminate this Contract.

(b) The **Owner** may terminate this Contract in the circumstances provided by the general law however this does not prevent the **Owner** and **Builder** from agreeing to additional circumstances in which the contract may be terminated.

(c) In the event that the **Owner** terminates this Contract in accordance with **Clause 28(a)**, the **Owner** may engage another **Builder** to carry out the works and the following provisions are to apply:-

(i) If the reasonable cost of the works exceeds that which would have been otherwise payable under this Contract, then the amount of that excess may be recovered as a debt by the **Builder** to the **Owner**.

(ii) If the reasonable cost of the works is less than that which would have been otherwise payable under this Contract, then the amount of that difference will be a debt payable by the **Owner** to the **Builder**.

In the event that the **Owner** engages another **Builder** to complete the work under this contract and pursuant to the **Owner's** right to terminate then any claim under **Clause 28(c)(i)** above is restricted to work which is the same as required under this contract.

29. Termination by the Builder

Subject to compliance with **Clause 26**, if the **Owner** is in default in any of the following respects, namely:

(a) refuses the **Builder** access to the site at any time after commencement of the works; or

(b) fails to provide evidence of title satisfactory to the **Builder** as required by **Clause 2(a)** within **ten (10) days** of the execution of this Contract; or

(c) fails to produce evidence of his capacity to pay the Contract Sum satisfactory to the **Builder** as required by **Clause 2** within **ten (10) days** of the execution of this Contract; or

(d) fails to pay the **Builder** any payment within **ten (10) days** of a **written** request or within the period stated in **Schedule 2 item 5(d)**, whichever is the later; or

(e) fails to pay the deposit required by **Clause 18**; or

(f) subject to limitations in the *Corporations Act 2001* (Cth), commits an act of insolvency;

(g) any suspension by agreement continues for more than **three (3) months**; or

(h) fails to remedy the matter, thing or event which has allowed the **Builder** to suspend the work under **Clause 21**;

AND, if in the case of any such default that is capable of remedy, the default continues for **ten (10) days** after notice in **writing** specifying the same and stating the **Builder's** intention to terminate this Contract,

THEN the **Builder** may without prejudice to any other rights or remedies, by notice served pursuant to **Clause 30**, terminate this Contract.

30. Service of Notices – parties need to confirm delivery

All notices (and/or other documents) will be deemed to have been given, received or served if sent to the other party at the relevant address, email address or facsimile number nominated in the Contract, or the address last communicated in **writing** to the person giving the notice.

31. Charge on Land

Upon an order or judgement by a Court or Tribunal for money due under this contract, the **Owner** agrees to charge the parcel of land on which or on part of which the works are to be or were erected to secure the payment of that order or judgement.

32. Definitions

(a) Words in this Contract importing the singular shall be deemed to include the plural and vice versa where the text so requires; words importing a gender include every gender; words importing persons shall be deemed to include companies and bodies corporate and/or bodies unincorporated.

(b) "Act" means Home Building Act 1989.

(c) "Act of insolvency" means:-

(i) an act of bankruptcy as defined under the Bankruptcy Act 1966;

(ii) the entry into a scheme of assignment or arrangement;

(iii) the appointment of provisional liquidator, liquidator, receiver, receiver in manager, administrator, scheme administrator, controller, trustee in bankruptcy, interim receiver, controlling trustee or any other such administrator.

(d) "Construction Period" – see **Schedule 2 item 5**.

(e) "Day" or "Days" for the purposes of this contract, other than clause 20, does not include:-

(i) Saturdays, Sundays or industry rostered days off;

(ii) or any day that has been gazetted or proclaimed to be a public holiday in the locality where the works are being or are to be executed;

(iii) any other day which specifically excluded from the construction period as listed at **Schedule 2 item 5(c)**.

(iv) January 2, 3, 4, 5, 6 and December 27, 28, 29, 30 and 31 of the calendar year.

Please also refer to **Clause 20**.

(f) "GST" – Goods and Services Tax.

(g) "Guide to Standards and Tolerances" means the version of the Guide to Standards & Tolerances 2007 issued by the Victorian Building Commission last published as at the date of this Contract.

(h) "Latent Condition" – physical conditions on site or affecting the site which differ materially from the physical conditions which should have reasonably been anticipated at the time of contracting.

(i) "Mandatory inspection" – an inspection required by the Principal Certifying Authority and listed in the terms of approval allowing the work to proceed.

(j) "Prime Cost Items" – the amount included in the contract sum as an allowance to cover the purchase by the **Builder** of a generic or specified item (for eg a fixture or fitting) which has yet to be actually acquired.

(k) "Provisional sums" - the amount of money included in the contract sum as an allowance to cover works in respect of which full information is not available as at the date of contract.

(l) "Work", "works" or "work under the contract" means the work that the **Builder** is required to carry out and complete under the contract. It includes variations, rectification, and the provision of materials required to be supplied by the **Builder**.

NOTICE OF PRACTICAL COMPLETION OF WORKS

To ..... (Owner)

.....

Take notice that the works the subject of the contract reached practical completion in accordance with **Clause 22** on

(date): .....

..... (Builder)

NOTICE OF PRACTICAL COMPLETION OF WORKS

To ..... (Owner)

.....

Take notice that the works the subject of the contract reached practical completion in accordance with **Clause 22** on

(date): .....

..... (Builder)

Consumer Building Guide

Mandatory information for consumers

Builders and tradespeople must give you a copy of this guide before entering into a contract for residential building work that costs more than $5,000. Read this guide to help protect your rights, carry out your responsibilities and support your building project.

Protecting consumers under home building laws

NSW Fair Trading is the NSW Government agency regulating residential building work (including building or trade work on single dwellings, villas, houses and home units) under the *Home Building Act 1989*.

What to consider before work starts

Licensing

Licensing requirements include:

- tradespeople and builders carrying out residential building work valued at more than $5,000 must be licensed by NSW Fair Trading (check a licence on the Fair Trading website or by calling 13 32 20)
- regardless of the work's cost, a licence is always required for specialist work (like plumbing, air conditioning and refrigeration, electrical work and gasfitting)
- if the work requires more than one tradesperson, you need a builder to manage the building project and co-ordinate the tradespeople, such as plumbers, painters and carpenters.

Home Building Compensation Scheme

The State Insurance Regulatory Authority (SIRA) regulates home building compensation (HBC) cover in NSW. HBC cover is required where work is worth more than $20,000 (including labour and materials). The builder or tradesperson must give you evidence of HBC cover before they start work on your project or you pay them any money, including a deposit. For more information or to check the validity of your cover, visit sira.nsw.gov.au or call 13 10 50.

Approvals

To help your building project go smoothly:

- check with your local council or an accredited private certifier on approvals your building work needs
- engage a building certifier. This is your responsibility, not the builder´s.

Contracts and payments

All contracts must be in writing. The two main contract types are:

- **fixed price or lump sum** - where the builder or tradesperson agrees upfront to a fixed amount for the whole job. Unforeseen changes during construction may affect the final cost
- **cost plus contract** - there is no guaranteed final cost for the job (often this contract is used where the project's nature prevents the final cost from being calculated). The consumer repays the builder for verified direct and indirect costs and fees at regular intervals. It is good practice for the builder to give a non-binding estimate before starting, and track costs with you against the project's budgeted estimate.

Residential building work **worth less than $20,000** must be done under a 'small jobs' contract. The written contract must be dated and signed by, or on behalf of, each party. It may specify that work be paid for at regular intervals. It must contain:

- the parties' names, including the name of the holder of the contractor licence as shown on the contractor licence
- the number of the contractor licence
- a description of the work
- any plans or specifications for the work, and
- the contract price, if known.

Residential building work **worth more than $20,000** requires a full home building contract. As well as all of the requirements of the 'small jobs' contract, it must

include other comprehensive information such as the details of the statutory warranties the builder must provide, the cost of any applicable HBC cover and the contract price or warning that the contract price is not known. Find a **complete list of contract requirements** on our website.

All contracts over $20,000 in value must have a progress payment schedule. Progress payments must match the work carried out and, for cost plus contracts, be supported by receipts or other verifying documents.

Any change you need to make to a contract is a '**variation**'. Variations must be in writing and be signed by both parties to the contract. Almost all will impact the contract price.

The **maximum deposit** you can be asked to pay before work starts is 10%.

Common traps and tricks

Beware of:

- an extremely low quote compared with others. This may indicate the job's quality is being compromised, or that the builder may not fully understand what is required
- `sales pitches´ putting pressure on you to sign a contract quickly to avoid a price increase
- a builder who recommends you get an owner-builder permit while they organise all the building work. The builder may be trying to avoid responsibility and may not have the right kind of licence or HBC cover.

When things go wrong

Statutory warranties

Builders and tradespeople must guarantee that their work is fit-for-purpose, performed diligently and delivered in a reasonable timeframe, in line with the contract. Unless otherwise specified, materials should be new and appropriately used. These warranties are time-limited: legal proceedings to enforce them must be commenced within 6 years for major defects and 2 years for all other defects. There is another 6 months for both warranty periods if the defect only became apparent after 18 months or 5 and a half years. Find out more about these warranties on the Fair Trading website.

Resolving a dispute with your builder or tradesperson

These steps can help you resolve a dispute:

- **you must notify your builder or tradesperson** and discuss concerns as soon as you become aware of a problem. Follow up with an email or letter
- **understand acceptable work standards** by downloading the *Guide to Standards and Tolerances* from our website
- contact Fair Trading for **free dispute resolution** if you and your builder or tradesperson are unable to resolve the dispute
- lodge a claim with the **NSW Civil and Administrative Tribunal (NCAT)** if you remain unsatisfied with the dispute resolution outcome
- protect your rights under the **HBC Scheme**: contact your insurer or provider as soon as you become aware of defective or incomplete work.

Home building compensation disputes

For help resolving disputes with a HBC insurer or provider, visit the SIRA website sira.nsw.gov.au or call 13 10 50.

More information

Visit the Fair Trading website to:

- learn more on your rights and responsibilities and the statutory warranties
- do an online licence check to verify a builder or tradesperson´s licence details
- find out about dispute resolution
- download free home building contracts
- subscribe to enews.

www.fairtrading.nsw.gov.au
Fair Trading enquiries 13 32 20
TTY 1300 723 404
Language assistance 13 14 50

This fact sheet must not be relied on as legal advice. For more information about this topic, refer to the appropriate legislation.

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NSW GOVERNMENT

Tel: 13 32 20
fairtrading.nsw.gov.au

NOTES

NOTES

ADDENDUM

Membership with the
Master Builders Association
is open to all **individuals** and **companies**
who are actively engaged in the
building & construction industry.



Services include:

- Legal
- Industrial Relations
- Training
- Networking Events
- Insurance
- Apprenticeships
- Work Health & Safety
- Publications
- Industry Representation
- and more ...

For further information on membership visit our website
or contact one of our offices listed below.

www.mbansw.asn.au

Master Builders Association of NSW ABN 98 550 042 906

52 Parramatta Road
Forest Lodge NSW 2037

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Broadway NSW 2007

T: (02) 8586 3555
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enquiries@mbansw.asn.au
www.mbansw.com.au

CROWNVIEW PROJECTS

info@crownview.com.au

02 7226 0876

www.cviewprojects.com.au

1/34-36 Princess Highway Kogarah NSW

CONSTRUCTION

STRATA |REMEDIAL |COMMERCIAL | RESIDENTIAL

ENGINEERING

STRUCTURAL | FORENSIC | CONSULTING | STRATA

FEE PROPOSAL

Project: Strata Plan 8704 of 8-14 Bowen Street Chatswood NSW 2067

Description: Balcony Rectification to Unit 29

Quote Request: J267279

Date: 16th December 2022 (Expires 30 days)

To: Strata Choice

Executive Summary

- A request for a fee proposal has been issued by Strata Choice in relation to the rectification of the failed membrane to Unit 29 at the above-mentioned property.
- We have based our fee proposal on the report received by The Construction Adviser dated 27 October 2022.



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02 7226 0876
www.cviewprojects.com.au
1/34-36 Princess Highway Kogarah NSW

Scope of works

The below is based on the rectification method and scope from the Construction Adviser report following their investigation into the matter:

Unit 29 Balcony

1. Attain safe access;
2. Remove the existing brick pavers to the balcony and expose the existing concrete slab;
3. Remove the sliding door;
4. Core hole the slab to provide a floor waste at the centre of the balcony.
5. New floor waste plumbing to be connected to the existing floor waste line (we assume connection is at the bottom of the balcony slab and accessible)
6. Provide flush puddle flange;
7. Provide overflow to balcony which includes: 7.1.3.7.1. Core concrete hob to accommodate overflow from surface level and install overflow device so water does not stain as it drops down facade;
8. Render overflow to hob to be a smooth substrate as required by AS4654.2;
9. Clean down and prepare substrate;
10. Fill all low spots in substrate and provide positive fall to drains;
11. Apply fillet to vertical & horizontal junction as required by AS4654.2;
12. Provide waterstop angle to door threshold, see extract from AS4654.2:
13. Install primer and two coats of waterproofing (Class 3 membrane) to wet film thickness as specified by the manufacturer and required by AS4654.2;
14. Terminate waterproofing as required by AS4654.2 (eg. Floor waste, overflows, upturns etc);

15. Reinstate the sliding door;
16. Install new tile screed with 1:100 falls as per AS3958.1.
17. Add efflock or similar to tile screed.
18. Seal tile screed to control efflorescence (epoxy primer) leave screed open at floor waste.
19. Install control joint to tiles and screed at maximum 4.5m centres and to perimeter as stipulated by AS3958.1. Ensure joints extend through tile screed;
20. Install tiles with minimum 90% glue coverage as specified by AS3958.1;
21. Install skirting tile to cover waterproofing upturn. Note to not block any weep holes;
22. Grout all areas;
23. Install sealant to perimeter and intermediate joints as required by AS3958.1;
24. Attain safe access externally; and
25. Patch and paint around overflows;
26. Replace moisture-damaged drawer at the Kitchen area; and
27. Clean down and demobilise.
28. Note supply of tiles allowed at $30/sqm as a PC cost.





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1/34-36 Princess Highway Kogarah NSW

Fee Proposal

Item No	Description	Fee
1.	**Balcony Remediation**	**$44,500.00 + GST**
2.	**Consequential Damage**	**TBC at completion of works – more damage can occur by the time works commence**
3.	**Documentation and design as required under the DPBA**	**$7,000.00 + GST**
4.	**HBCF (provisional sum estimate only)**	**$4,400.00 + GST (Estimate)**

Exclusions & Notes.

- We have excluded any item not specifically mentioned in above breakdown.
- Any associated fees.
- Any return visits due to in accessibility will be charged
- HBCF cannot be costed until insurance is applied for. Once project commenced and application for HBCF is made, we can finalise a cost for the HBCF.
- Consequential damage can change by the time this fee proposal is approved and work commences, for this reason it is best to finalise this cost when the works are imminent to ensure no changes in costs.

Yours Sincerely

Adam Alexander
Managing Director