

HOME OWNER'S GUIDE TO BUILDING AND RENOVATING

USEFUL INFORMATION TO HELP YOU THROUGH
THE BUILDING AND RENOVATING PROCESS.



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WELCOME

Building and Renovating

When you first start thinking about building a new house or renovating, it can be overwhelming. Having a clear plan and understanding the different roles and responsibilities of all the key players can mean the difference between a good experience and a disappointing one.

In this home owner's guide, find out how to begin your project, from choosing a builder, getting quotes and plans, to considering whether you want to do the work yourself. Learn about supervision and the responsibilities of the builder or construction manager. You'll also find out what certifiers do and their role in the building inspection and approval process.

Taking out insurance may not be a high priority right now but is an important part of the process. Our guide will help you understand insurance cover and the policies that you will need.

ABOUT US

The QBCC supports the growing Queensland community by providing information, advice and regulation to ensure the maintenance of proper building standards and remedies for defective building work. Led by the Commissioner and governed by a board, the QBCC consists of a skilled and expert team of staff that work hard to meet the needs of industry participants and the community.

The Commission regulates the building industry throughout Queensland. To provide the best customer service possible, service centres are located throughout the state including Brisbane, Gold Coast, Sunshine Coast, Toowoomba, Maryborough, Rockhampton, Mackay, Townsville and Cairns.

With over 4.6 million people currently living in Queensland and a robust percentage of those residents working in the construction sector, the QBCC has an important task in serving our customers, contributing to the growth of the Queensland economy and regulating the industry.

If you'd like to learn more, visit qbcc.qld.gov.au.



WHAT DOES THE QBCC DO?

Contractor and Consumer advice

We provide information, education and advice to consumers and contractors throughout Queensland. This assistance includes media releases and articles, publications, fact sheets, seminars throughout Queensland and participation in trade and industry shows. To find out more visit qbcc.qld.gov.au.

The QBCC is able to assist you with information or assistance on all the services we provide, including:

Licensing

Under the *Queensland Building and Construction Commission Act 1991*, all builders, building designers and most trade contractors must be licensed by the QBCC to carry out building work (there are a few exceptions, such as electricians who have their own licensing system).

To hold a QBCC licence, certain financial, experiential, technical and managerial standards have to be met. The QBCC is responsible for assessing licence applications, issuing licences, and ensuring that licensees continue to meet the required standards.

If you are having a home built or building work done around your home, you should contract only with someone who has a current and appropriate QBCC licence card (i.e. a builder, trade contractor or building designer licence). A QBCC builder or contractor licence indicates that, at the time of the application, the licensee met the QBCC's licensing requirements. A builder or contractor licensee is permitted to deal directly with the public.

Queensland Home Warranty Scheme

When you use a QBCC-licensed contractor for construction of a home or major alterations or extensions you are protected under the Queensland Home Warranty Scheme administered by the QBCC.

The scheme provides protection against incomplete or defective residential construction work carried out in Queensland.

Resolution Services

The QBCC provides information and assistance in dealing with disputes between consumers and contractors regarding defective building work. We do not represent a particular party and act as a neutral party in this instance. We work with consumers and contractors to resolve building problems.

If you have a problem or concern about some aspect of work that has been done for you, the first thing you should do is advise your builder or trade contractor (both orally and in writing) and allow a suitable period for the contractor to fix the faults. If you are not happy with the outcome, get in touch with us for further advice.

Note: Time limits apply for the lodgement of disputes with the QBCC.

Building Certifiers

The QBCC licenses individuals such as building certifiers. You can confirm a certifier's licence free of charge by contacting any QBCC office or visiting the Online Licence Search facility on our website (qbcc.qld.gov.au). The QBCC is responsible for investigating complaints and conducting audits of building certifiers' conduct.

Contracts

The QBCC offers six different contracts which together cover the full range of domestic building and demolition projects. These contracts, which enable you to record all details of your agreement in writing, strike a good balance between the interests of consumers and building contractors. Each contract includes all the appropriate supporting documents (e.g. forms, schedules and the QBCC Consumer Building Guide, where relevant) required to comply with the relevant legislation and enable you to successfully carry out your project.

NOTE

Cover provided by the Queensland Home Warranty Scheme is specifically for residential construction work carried out by QBCC-licensed contractors in Queensland. It is not Home and Contents insurance and is not available to the general public unless they are undertaking residential building work.

Home and Contents insurance is provided by, and should be arranged and paid for, with your choice of general insurers.

The six QBCC contracts which relate to domestic building work are:

1. **QBCC New Home Construction Contract** - for the construction of an entire home;
2. **QBCC Level 1 Renovation, Extension and Repair Contract** - for renovations, extensions and routine repairs on existing homes, and associated domestic building work, priced at \$3,301 to \$19,999;
3. **QBCC Level 2 Renovation, Extension and Repair Contract** - for renovations, associated domestic building work and routine repairs on existing homes, priced at \$20,000 or more;
4. **QBCC Natural Disaster Repairs Contract** - for repairs to a home, duplex or home unit of any value arising from damage caused by a natural disaster;
5. **Small Building Projects Contract** - for domestic building projects not exceeding \$3,300; and
6. **QBCC Contract for Demolition of Residential Premises** - for demolition work of any value associated with domestic building projects.

All of these contracts are available for download free of charge from our website at qbcc.qld.gov.au

Just about any work you have done on or around your home should be undertaken by QBCC-licensed contractors (builders, trade contractors and building designers).

On our YouTube channel you'll find many resources to help guide you through the building process. You can subscribe to our channel and choose to be notified by email whenever we upload a new video. This is a great way to keep your knowledge up-to-date if you're planning to build, extend or renovate.





THE BUILDING PROCESS

This section deals with issues such as finding finance, choosing land and establishing a budget. It also canvasses points to consider when deciding whether you are going to buy a house and land package from a builder, contract with a project builder to build one of their designs on your land, or have a home individually designed and built exclusively for you on the land of your choice.

If you are a renovator, you should read this section thoroughly and take note of the information which is most relevant to your situation.

- obtain copies of any outstanding documents (e.g. certificates of inspection, warranties relating to appliances and information that must accompany building products).

After completion, if problems develop:

- advise builder in writing, giving say 14 days for the work to be rectified
- if the problem is not resolved contact the QBCC (information relating to the builder's obligation to rectify defects can be found in the general conditions of your contract and on the QBCC website).

COMMUNICATION

Good communication between you and your contractor is one of the most important factors in a successful building project.

Maintain good, regular communication with your builder during construction:

- advise in writing if problems occur
- if in doubt, ask questions – don't stew over it!!
- ensure any changes to the contract ('variations') are recorded fully and accurately in writing, signed and returned to your builder prior to the work being done
- inspect regularly by appointment with builder/supervisor (e.g. at progress payment stages)
- carefully observe progress payment requirements detailed in the contract (ensure the money is available when required and that you only pay the correct amount at the correct time)
- discuss any building issues directly with the builder/ appointed supervisor not the tradespeople on site.

On completion/handover:

- arrange a final inspection a week or so before the scheduled handover date
- during the handover inspection with builder/supervisor, record details of any defects, items missing or requiring attention on the defects document, and

GETTING STARTED

Finance

Key points when choosing a lender and finance package:

- shop around and compare quotes
- consider total, long-term package
- check flexibility and penalties (e.g. for early repayment or termination)
- work out which product best suits your needs.

For advice on mortgages and other money matters, contact financial advisers, lenders or visit finance websites.

Points to remember regarding home finance:

- don't over commit
- allow for changing personal circumstances and interest rates
- existing commitments reduce borrowing capacity
- First Home Owner Grant and Stamp Duty reductions - contact the Office of State Revenue for eligibility requirements: treasury.qld.gov.au



Choosing land

Land factors to consider include:

- size/slope/soil type (will vary costs on footing systems)
- aspect (direction of sun/prevaling breezes)
- setbacks/easements/zoning/height restrictions
- tree, animal habitat and heritage preservation rules
- environmental factors
- local development and facilities (especially transport, and medical, shopping and recreational facilities as well as infrastructure e.g. water supply).

When paying a deposit on land:

- check the contract before signing and seek legal advice. It may be far more expensive in the long run if you sign an unfair contract
- advise the vendor in writing that the contract entered into is subject to finance from your preferred lender and to soil test results satisfactory to you as the purchaser.

It is very important that you establish a realistic budget. This can be done by several means:

- based on your borrowing capacity
- a per square metre rate for new construction depending on inclusions and the level of finish you require
- if budgeting for alterations and/or additions, consult with contractors to estimate a price range.

Note: don't forget building certifier and other fees such as local government development approvals, building and plumbing permit and inspection fees.

If you're looking to build a new home, choosing a design which is affordable, functional, pleasing, and makes effective use of your land and sustainable environmental factors (including views, breezes and angle of the sun) will be important in determining your long-term satisfaction, comfort and convenience. In terms of design, the recommended alternatives are:

- choose or modify one of the existing designs offered by a project builder with a good track record
- engage a design professional (i.e. a licensed building designer, architect, engineer, or builder) to prepare the design, plans, and specifications on your behalf based on your instructions.

SUSTAINABILITY DESIGN CONSIDERATIONS



If your project involves major renovation or extension of an existing property, it is important to consider sustainability principles when making decisions regarding energy efficient building design, heating and cooling, water conservation, choice of appliances, etc.

These choices will ultimately enhance your comfort and can considerably reduce the cost of maintaining your home and its environmental impact. Attention to detail on these matters may also improve your home's efficiency and increase its future resale value. Where relevant to your renovation project, it is also recommended that your design considerations include an allowance for any mobility difficulties you, your relatives or visitors have now or may have in the foreseeable future (relevant considerations might include eliminating the use of steps, increasing the width of doorways and corridors, allowing for wheelchair access to bathrooms, installing switches and handrails at appropriate heights and locations, etc.).

When addressing these design considerations, the objective is to avoid or minimise the need for expensive home modifications, or in the worst case to have to sell your home, in the event you or someone in your family experiences a change in their mobility through injury, illness or age.

It is also important to make sure you meet any local planning requirements. Contact your local government for more information.

It is generally much cheaper to address these sustainability considerations and incorporate them at the point of construction or renovation than it is to retrofit them or modify your home after the event. You should carefully consider these matters and discuss them with prospective builders before making a final choice of contractor. Builders' awareness and capabilities in relation to these matters will vary greatly and may be an important consideration in your final choice of who will do the work. Before signing the contract, you should carefully check to ensure that your preferences and choices with regard to sustainability and mobility considerations are accurately incorporated and fully detailed in the contract documents, including the plans and specifications.

Further information on sustainable design for domestic building projects is available from the following websites; qld.gov.au/housing/building-home/sustainable-housing, energyrating.gov.au



NON-CONFORMING BUILDING PRODUCTS

The use of non-conforming building products in the buildings in which we work, live and play, puts lives and property at risk.

Laws are in place that declare all parties involved in the building product supply chain, from the manufacturers and importers to the suppliers and installers, are held accountable for building products that are not compliant or fit for their intended purpose.

Information about the building product and its intended use must be provided by each person in the supply chain to the next person in the chain.

What is a non-conforming building product (NCBP)?

The law states that a building product is regarded as non-conforming if it is unsafe, does not comply with the relevant regulatory provisions (e.g. the National Construction Code), or its performance does not meet the claimed standard or performance.

A building product is also regarded as non-conforming if it claims to be something it is not and is marketed and supplied with the intent to deceive consumers.

What does this mean for home owners?

The laws aim to eliminate the use of NCBPs by imposing responsibilities on those involved at the earliest stages of a typical building supply chain. They will help provide greater safety and certainty for home owners and save money by preventing costly rectification works.

How can I minimise the risk of NCBPs in my home?

There are many steps that you can take to reduce the likelihood of NCBPs being installed in your home.

Choosing a tradesperson – Choosing a licensed tradesperson will ensure they are properly qualified and insured. They also have a legal requirement to use only building products that comply with the standards under the National Construction Code.

NOTE

Persons in the chain of responsibility for an NCBP are obligated by law to notify the QBCC if they suspect or know their product has caused, or exposed persons to the risk of, death, serious injury or illness.

Choosing the right building products for the job – The law requires that building products are accompanied by information that allows you to determine whether the product is fit for its intended use. If you are purchasing building products make sure you check the information with a licensed tradesperson. If your builder is supplying the product, check with them that the product meets the required standards.

Plumbing products – Check that plumbing products have the relevant WaterMark certification.

What should I do if I suspect a NCBP?

If you are concerned that a NCBP has been used in your home, you should raise this with the tradesperson who installed it. Ask them for the information showing that the building product meets the required standards. If they don't provide this information, contact the QBCC.

Where can I go for help or more information?

More information on NCBPs, including on how to complain about a suspected NCBP, can be obtained from qbcc.qld.gov.au



BUILDING OPTIONS

Project homes - some pros and cons

Many project home builders offer a large selection of “standard” plans covering a wide range of prices, styles, sizes, specifications and standards of fittings and inclusions. Some of these builders specialise in a particular style of home (e.g. Colonial, Federation, double storey, etc.).

In addition to providing established plans, project builders arrange and coordinate the building process on your behalf. They may also provide other services, including assistance with mortgage finance and a variety of combined house and land packages (these packages may include “extras” such as, landscaping, fencing, driveway, floor coverings, etc.).

The advantages of using a project builder’s standard plans include:

- the designs may already have been tried and proven by previous clients
- some of the designs may be on permanent display, giving you the opportunity to view the finished product
- there may be cost and time savings (especially compared to a custom design.) Time and cost also needs to be considered when customising a standard package.

The plans already prepared by project builders may not, however, match your particular requirements or design references, or make the best use of the aspect and shape of your land. Some changes (e.g. in design detail, room size, standard of fittings/inclusions) will usually be allowed.

However, because most project builders are not set up to offer a complete custom design service, there will be some limitations in the choices available to you. Ask your project builder to what extent their plans can be varied and at what cost. In comparing prices from builder to builder, if the designs vary, compare floor area of each design on initial analysis.

Display homes - some pros and cons

Many project home builders use furnished display homes to illustrate some of their house designs. For potential home buyers, many of whom find it difficult to visualize the features of a home from floor plans alone, these display homes provide an example of the finished product, as well as an illustration of the builder’s standard of finish, inclusions, etc.

Some of the fittings, inclusions and design features you see on display may not be included in the standard version of the home.

It is important for you to ascertain precisely what you will get, should you decide to contract with the builder to build the house which is on display.

What features are not standard

While standard inclusions provided by different builders may vary considerably, the following items will not normally be included in your contract (unless specifically mentioned), even though they may be seen in the display home.

Inside

- loose furniture
- security systems
- floor coverings (usually coverings are provided only to the wet areas, such as bathroom, toilet and laundry floors)
- curtains, blinds and light shades
- dishwashers
- washing machines and other “loose” electrical appliances which are not built-in to the home, and other fashion or decorator items (e.g. wallpaper, picture rails, fixed mirrors in living areas, etc.).

Outside

- Built-in garages are usually attached to display homes, although a carport may be standard
- security and fly screens
- driveways and paths
- concrete or tiled floors under the entry porch or verandah
- landscaping and gardens (including turf, plants, sprinkler systems, rockery, and retaining walls)
- garden sheds, outdoor furniture and decorator items
- fences and pergolas
- letterbox and clothes line
- pools and spas
- service connections (e.g. power, telephone, water and sewerage/septic) may cost more for blocks larger than normal urban size of 700m² - 800m² with a setback greater than 6 meters
- higher wind rating and roof sarking (i.e. roof lining) are expensive and may be necessary or advisable if building on acreage and/or exposed areas.

IMPORTANT NOTE

PROJECT AND DISPLAY HOMES

Some builders offer different standards of fittings/inclusions for their homes (e.g. “standard” and “deluxe” versions). If several versions of the project home are available:

- clearly identify which version has been quoted to you, and
- obtain the specifications and standard inclusions for the particular version you’re interested in.

Builder’s obligations

The builder of the display home should have the following documents prominently displayed in the home:

- a copy of the display home’s plans and specifications
- a copy of the contract the builder would use to construct a similar home on land of your choice.

Additional points to consider

The following items are often overlooked but may add considerably to the final cost of building the project/display home on your land.

Bricks

Only a limited range of bricks is usually included in the standard price of a project home. Check if other bricks are available and at what additional cost.

Mortar

Although homes are often displayed with coloured mortar, natural mortar (i.e. light grey) is usually standard and other colours (especially off-white or white) may cost much more.

Earthworks (cut/fill) & footing excavation

Under the domestic building legislation, before entering the home building contract the builder must first obtain foundations data appropriate for the building site unless such data already exists and it is reasonable for the contractor to rely on it.

The advertised price of a display/project home will normally be based on construction on a fairly flat block (e.g. up to 500mm of fall is a common allowance) with a favourable (i.e. stable) soil type and little or no underground rock. There may be significant additional costs associated with building the same design on your particular land, especially if it has a steep slope, unstable soil or rock beneath the surface.

These costs can only be accurately determined after a contour survey, conducted by a surveyor, and a soil test, conducted by a registered engineer.

NOTE:

Many builders include the cost of obtaining foundations data (e.g. design work and preparation of plans, specifications and bills of quantity) in some form of “Preliminary Agreement” - be sure to carefully read all terms of any such agreement before signing.

Obtain formal legal advice if you have any concerns, especially if the cost seems too high for the services covered by the Preliminary Agreement or if there are penalties/extra charges if you choose not to proceed with the building contract.



WARNING

The QBCC has received reports of a few unscrupulous builders charging exorbitant amounts for earthworks and footings.

The builder must provide you with copies of the soil test and contour survey upon which their costings for the earth works are based unless you have provided this. If you believe the prices quoted for earth works are unreasonable, check with other builders, building consultant or an engineer.

In addition, be sure the contract specifically states who has responsibility for the removal from site of any “spoil” (i.e. excess earth left after excavation).

Check this BEFORE you sign the contract as the import or removal of soil to or from site, could prove to be a costly exercise.

Individually designed homes

Getting good results happens by design

In some circumstances the floor plans and specifications available from project builders may not match your needs and preferences, or the aspect and shape of your land. If you require an individual design and a wider choice of fittings and inclusions, you may want to engage one of the professionals listed below.

These specialists can provide expert design services and produce documentation which will aid the smooth passage of your plans through the approval process.

Who can provide design services?

- **Building designers** - Require a QBCC Building Designer licence. To check if the designer is appropriately licensed, go to qbcc.qld.gov.au and click on Online Licence Search.
- **Architects** - No QBCC licence required; must be registered with the Board of Architects, Qld. To check your architect is registered visit boa.qld.gov.au.
- **Builders** - House builders require a QBCC Builder Licence in one of the following categories:
Builder - Open, Builder - Medium Rise, or Builder - Low Rise. This licence entitles them to design homes which they will subsequently build. Go to qbcc.qld.gov.au and click on Online Licence Search.
- **Engineers** - No QBCC licence required; must be registered with the Board of Professional Engineers, Queensland. To check your engineer is registered visit bpeq.qld.gov.au.

Choosing a designer

The process of designing your home should be a partnership between you and your designer. The best results will depend on a good working relationship in which both parties clearly understand their roles and responsibilities from the beginning. For this reason it is important that you choose a properly qualified professional with whom you feel comfortable.

When selecting a designer you should:

- be clear about, and fully document, the extent of work you require to be done
- make a list of qualified home designers using information from relevant professional organisations (e.g. Building Designers' Association of Queensland, Australian Institute of Architects, Master Builders' Association, Housing Industry Association, and the Institution of Engineers Australia), advertisements in local press/media, trade and business directories, and personal recommendations
- obtain at least three comparable quotations which clearly state what work and services they cover
- not necessarily take the cheapest quote, but look for qualifications, experience and value for money
- check the past performance of the designers by contacting previous customers, especially those who have had similar work done (if you don't know any past clients, ask the designer for a list).

Your role

As the plans and specifications that you prepare with the designer will be vital to the success of your new home, be sure the designer clearly understands your requirements from the outset and that all points are fully and precisely documented and dated. After they begin work, keep in regular contact. Good communication will help prevent misunderstandings which can cost time and money.

Before the designer begins the job, it is important that you have worked out and clearly conveyed the following:

- **your budget for the construction or renovation work** for which you are seeking a design, as well as how much you expect to spend on the design process itself (lending institutions will be able to tell you how much you can borrow and what the repayments would be)
- **all the important design features/facilities** which you wish to be included in the new home/extension/renovation for which you are seeking design assistance (e.g. overall size and shape of the home, number and location of bedrooms and bathrooms, ceiling height, window sizes, etc.). Gathering photographs, sketches, magazine articles, etc. which show design features you like may help you to convey your requirements but be careful not to copy plans developed by someone else
- **the specifications, fittings and materials to be used** (e.g. plastic vs porcelain vanity top, anodized vs powder-coated window frames, tile vs metal roof, type of ceiling insulation (if any) to be included, the standard or type of kitchen and bathroom fittings and appliances, etc.)
- **time constraints/expectations** (i.e. when you require the final design to be ready or the plans submitted to the building certifier for approval). Remember, arriving at a design which meets your needs and preferences may involve several stages of refinement which may take longer than you expect but will be worth the extra time and effort
- **if you want exclusive copyright ownership of the house plans** you and the designer will develop (be sure to document this in your written agreement or you may not have exclusive rights to the plans).

NOTE:

Some individual/unusual design features can add considerably to the construction costs of the home and, if included, may necessitate an increase in your budget or a reduction in the living area you will receive for your money.

The designer's role

Design professionals are expected to keep up to date with legislation, information and trends relating to the building process and can help you to clearly define your needs and preferences. The designer can also advise you regarding environmental and energy considerations (including ventilation, insulation, choice of building materials, feasibility of solar power, the most appropriate house orientation with regard to sun and prevailing winds, landscaping, etc.).

To supply you with the best service, and the most cost-effective, functional and satisfying design, the designer will need to spend time with you to get to know your individual circumstances and requirements. Time invested by both parties at the early stages will help to develop the mutual trust and understanding which will be important to the success of the project.



Questions to ask in your first meeting

To help you assess the designer, and determine exactly what their role will be in your project, here is a checklist of some key questions to ask at the initial discussions:

- does the designer have the appropriate QBCC licence or professional registration? Check our website qbcc.qld.gov.au or your nearest QBCC office, or the appropriate Registration Board - see page 11
 - in addition to preparing the design and working drawings (i.e. full technical plans drawn to scale showing internal and external dimensions), does the designer provide other services? For example:
 - » site inspections (to ensure characteristics of the block and its environment including views are fully considered)
 - » sketches of the elevations (i.e. three-dimensional side and street views of the house as it will look when the work is completed)
 - » preparation of tender documents (if the job is to go to tender)
 - » preparation and lodgement of documents (including plans) for approval by a building certifier
 - does the designer have knowledge of the estate/area in which you intend to build?
 - does the designer check for easements and the location of utilities (e.g. sewerage pipes) which could affect the siting and design of the home?
 - will the designer liaise with the building certifier to ensure any special requirements are included in the plans before they are submitted for approval?
 - does the designer use a standard contract for their work? If so, obtain a copy and read it carefully before signing.
- If not, be sure that whatever agreement you reach (including details of services to be provided and costs) is fully and accurately documented and signed by yourself and the designer (in either case, if you have any remaining questions or concerns about the contract you should seek legal advice before signing)
 - what up-front deposit does the designer require before they will commence work? (be sure you get receipts for all payments and don't make the final payment until all agreed work has been completed)
 - how is the designer's fee calculated (e.g. an hourly rate, or fixed sum or according to the size/value of the project)?
 - what additional information/assistance does the designer require from you?
 - what procedures/costs apply if you wish to vary the plans after they are completed?
 - when will the design be ready?
 - who will own the design copyright and how will this affect the cost of the design?
 - does the designer have a preferred builder they usually work with? (if so, check the builders licence and track record on the QBCC online licence search).



WARNING

The laws relating to copyright apply to building plans. These laws prohibit (and penalise) any unauthorised copying or use of plans belonging to someone else

(e.g. plans obtained from another designer or project builder).

CHOOSING YOUR BUILDER

Obtaining plans and quotes

The first step is to make a list of local builders willing and able to do the job, then check their qualifications and past work.

You can find builders and trade contractors through:

- personal recommendations from friends, family or neighbours who have built/renovated recently
- industry associations (e.g. MBAQ, HIA, etc.)
- advertisements in the local media
- on-site signs
- trade directories
- Yellow Pages
- the QBCC Online Licence Search.

As the basis for the building work to be done, the plans and specifications form an integral part of the agreement between you and your building contractor. Check them carefully for accuracy and completeness before signing a building contract!

For the purposes of comparison, you should try to obtain several written quotes based on the completed plans and specifications.

Note: These quotes are not proper building contracts, just an indication of price.

Remember: the cheapest quote is not always the best.

Explain clearly to your building contractor, from quote stage, the full details of work you require. Always try to obtain a fixed price for all or most of the work.

NOTE:

If your plans and specifications were provided by a licensed builder, they may be subject to copyright and therefore cannot be used by another builder or building designer.

For comparison, you should, however check the contractor's quote against those provided for a similar project (i.e. similar size and specifications) by other building contractors.

Ask the contractor to show you their licence card.

- Note the type of licence, name and expiry date.
- Ensure that the person you are dealing with and the name on the card are one and the same.
- Contact the QBCC if you are unsure if the contractor's licence is appropriate for your building project.

Ask the contractor for details of past work and recent clients

Inspect previous work and, if possible, ask past clients:

- Did the contractor provide documentation clearly detailing and pricing the work to be done?
- Did the contractor provide good customer service (e.g. were they polite, responsive, on time for appointments, and would you engage the contractor again etc.)?
- Did the contractor stick to the agreed costs and timing?
- Did the contractor properly document and obtain prior approval in writing for any variations?

Having completed the previous steps and selected a contractor:

- ask about, and obtain a copy of, any special warranties the contractor may provide
- ask about information that must accompany building products as required under the QBCC Act
- always be very clear about and document the type of products (e.g. type of paint, timber, floor coverings etc.) that will be used
- before signing anything, obtain a blank copy of the contractor's contract, read it, and seek formal legal advice on any point you are concerned about or don't understand.

CHECK THE LICENCE CARD!



* This Licence Card is current as at January 2018.

The licence card includes name of the licensee, licence number, type of work covered and expiry date*.

NOTE

When looking at classified advertisements, make sure they include the contractor's name and QBCC licence number, as this is required by law. Contact your nearest QBCC office or visit our website to confirm, free of charge, whether the contractor has a current licence suitable for your job.

You can also obtain other important information about the contractor on the QBCC website.

The licence card (illustrated) indicates that your builder, trade contractor or building designer has met certain minimum requirements and is licensed to deal directly with the public.

DOMESTIC BUILDING CONTRACT LEGISLATION (SCHEDULE 1B OF THE QBCC ACT)

NOTE

GET IT IN WRITING!

All domestic building work priced at over \$3,300 must be covered by a written contract which complies with Schedule 1B of the QBCC Act. Home owners should carefully check their contract documentation and, if necessary, seek formal legal advice before signing to ensure it complies with the Act.



Domestic building legislation (now Schedule 1B of the QBCC Act) was introduced to provide improved protection and information to Queensland home owners undertaking domestic building work priced at over \$3,300 (including labour, materials and GST).

It is important to understand the key provisions of the Act, especially as some contractors may seek to use contract documentation that does not comply with this legislation.

Display homes

Consumer protection legislation (the Australian Consumer Law) provides that if the contract is for the construction of a home similar to one which is advertised or on display, the customer's home will be constructed according to the same plans and specifications, standards of workmanship and quality of materials as those used in the display home, except to the extent (if any) that the contract provides for, and specifically identifies, departures from them.

To avoid confusion, be sure that all your requirements (especially variations to the standard house plan) are fully and clearly documented and supported by detailed drawings, specifications and prices. Carefully check that the plans and specifications associated with your contract fully and accurately reflect your agreement with the contractor.

The 'cooling off' period

All contracts for domestic building work priced at over \$3,300 must include advice to home owners of their right to a "cooling off" period. Under the QBCC Act, home owners may withdraw from the contract during the cooling off period, **usually within 5 business days** after receiving from the contractor a copy of the entire signed contract (if the contract price is \$20,000 or more) and a copy of the QBCC Consumer Building Guide.

If a home owner wishes to withdraw they must give a signed notice of their intention to withdraw under the cooling off provisions in s35 of Schedule 1B to the contractor and pay certain costs (usually \$100 plus 'out-of-pocket expenses reasonably incurred by the contractor before the building owner withdrew from the contract').

You may **NOT** withdraw during the cooling off period if:

- you and your contractor had a previous contract on similar terms, for substantially the same services and relating to the same site or home
- you have received independent legal advice about the contract from a practising lawyer before entering into the contract, or
- you tell the contractor that you have received independent legal advice about the contract from a practising lawyer before entering into the contract.

QBCC Consumer Building Guide

For all domestic building projects priced at \$20,000 or more, the QBCC Act requires contractors to provide home owners with the QBCC Consumer Building Guide before the owner signs the contract. The QBCC Consumer Building Guide contains general information about the building process for the benefit of home owners.

Be sure to carefully read the QBCC Consumer Building Guide you are given by the contractor BEFORE you sign the contract.

Plans and specifications

If your project requires building approval, you'll need plans and specifications that must be included in the contract. They may be prepared by the building contractor or drawn up for you by an independent architect, engineer or building designer.

Variations

Failure to fully and accurately document changes to the original contract (commonly known as “variations”) is a frequent cause of building disputes. The contractor and/or the owner may vary work under the contract by way of an increase, decrease or deletion of work, or change in materials, provided that the details of the variation are put in writing in a Variation Document signed by both parties.

All variations must be put in writing and copied to the home owner within 5 business days of the agreement on the variation. If a variation involves additional cost, the home owner is only liable to pay the extra cost if the contractor could not reasonably have foreseen the variation work at the time of contracting.

The contractor must not demand payment for variations before the variation work has commenced, and the contractor must not start the variation work before the owner agrees in writing to the variations.

Deposit and progress payments

Schedule 1B of the QBCC Act sets out maximum deposit percentages which must not be exceeded, even if the home owner is agreeable (generally 10% where the contract price is \$3,301 - \$19,999 or 5% where the price is \$20,000 or more).

EXCEPTION: a deposit of up to 20% is allowed if the value of work to be performed off-site is more than 50% of the contract price.



WARNING

Always be careful NOT to pay in advance of, or more than, what you are obligated to pay under the written contract as this may reduce the protection available to you under the Queensland Home Warranty Scheme.

For further information on this subject see the *Domestic Building Contracts - General Information for Home owners* booklet on the QBCC website.

‘Foundations data’ and certificates of inspection

Where the building project involves the construction or alteration of footings or a concrete slab, or may adversely affect the footings of a building or a concrete slab forming part of a building, Schedule 1B of the QBCC Act requires the contractor to obtain appropriate ‘foundations data’ (e.g. soil tests, contour surveys) before entering into the contract and to provide a copy of this data to the home owner once they have paid for the cost of obtaining the data (unless the owner already has this information).

Where the contractor engages the building certifier (which is usually the case) the contractor is required to provide the home owner with copies of each certificate of inspection as soon as practicable after the contractor receives the certificate from the certifier.

If you engage a building certifier directly, engage with them before construction starts to find out what the certifier’s requirements will be throughout and post construction.

For further information on this subject see the *Domestic Building Contracts - General information for owners and contractors* booklet on the QBCC website.

Allowances for delays during construction

Schedule 1B of the QBCC Act requires that when calculating the finish date, or the time required to carry out the contracted work, the contractor must make reasonable allowance for certain types of delays (e.g. inclement weather, non-working days, etc.) where there is a reasonable likelihood that the delays may affect the time required to carry out the work.

For further information on this subject see the *Domestic Building Contracts - General information for owners and contractors* booklet on the QBCC website.

Implied warranties

There are certain implied warranties in Schedule 1B of the QBCC Act which apply to all contracts for domestic building work priced at over \$3,300, even if the warranties are not stated in the contract.

These warranties include that the work will be carried out: in accordance with all relevant laws; in an appropriate and skilful way and with reasonable diligence; in accordance with plans and specifications (where relevant); using materials that are good and suitable for the purpose for which they are used, and new, unless otherwise stated in the contract; and that, where relevant to the contract, the home will be suitable for occupation on completion of the contracted work and any allowances will be calculated with reasonable care and skill.

Contract termination

In certain circumstances, the home owner may be entitled to terminate the contract, but this is a very serious step which, if not done properly may have serious financial and legal consequences.

For further information on this subject see the *Domestic Building Contracts - General information for owners and contractors* booklet on the QBCC website.

NOTE

It is **very important** that you obtain formal legal advice before terminating your contract for any reason.

CONTRACT CHECKLIST

- | | |
|---|--|
| <input type="checkbox"/> I have seen and checked the contractor's QBCC licence details via the Online License Search on the website | <input type="checkbox"/> I have informed the contractor of any special requirements I have and they are documented in the contract |
| <input type="checkbox"/> The name and number on the licence card is the same as that on the contract | <input type="checkbox"/> Commencement and completion dates or time frames in the contract are clearly stated and seem realistic |
| <input type="checkbox"/> I have received a written contract which complies with Schedule 1B of the QBCC Act | <input type="checkbox"/> I understand the grounds upon which the contractor may claim an extension of time in the date for practical completion and that I must approve the claim in writing for it to be valid |
| <input type="checkbox"/> The total contract price, deposit and progress payments are clearly stated and I know when all payments are due (payment stages are clearly identified under the contract) | <input type="checkbox"/> If I have been promised a special package/ promotion/discount by the builder, it is included in the contract |
| <input type="checkbox"/> The deposit and progress payments in the contract schedule conform with the requirements of Schedule 1B of the QBCC Act | <input type="checkbox"/> I have read and understood every clause of the contract (if not, seek formal legal advice) |
| <input type="checkbox"/> Is the contract price fixed? If so, for how long? | <input type="checkbox"/> Both the contractor and I will sign all pages of the contract documents, including plans and specifications, and we will each retain a signed set |
| <input type="checkbox"/> What factors (e.g. an allowance for removal of rock) may affect the final price? | <input type="checkbox"/> I understand that any changes to the original contract (variations) must be recorded in writing and approved by me before the variation work starts and before I have to pay any extra for variations |
| <input type="checkbox"/> Any allowances for provisional sums or prime cost items (QBCC recommends these are kept to a minimum) are clearly stated in the contract schedule, and I understand how changes in the final costs of these allowances can affect the final contract price | <input type="checkbox"/> I am aware of the remedies available to me under the contract and through the QBCC if the contractor performs defective work |
| <input type="checkbox"/> The contract explains my right to withdraw during the "cooling off" period of 5 business days and I understand when the cooling off period starts and finishes | <input type="checkbox"/> Before the date for practical completion I will contact my insurance company and arrange Home Property and Contents insurance effective from the date of practical completion |
| <input type="checkbox"/> All the work I want done is clearly described in the contract schedule and supported by appropriate plans and specifications which are dated and referred to in the description of the contracted work | |
| <input type="checkbox"/> If the contracted work requires the construction or alteration of, or may adversely affect, footings or a concrete slab for a building, the contractor has obtained and given me a copy of the relevant foundations data and incorporated this information in the contract price | |
| <input type="checkbox"/> If the contract price is \$20,000 or more, the contractor has provided me with a QBCC Consumer Building Guide and I have read it before signing the contract | |

Finally, make sure:

- ☐ The contract records in writing, everything you have agreed to and includes reference to the **5 business day "cooling off"** period
- ☐ You don't sign any document unless you fully understand it – seek formal legal advice if you are unsure or have concerns
- ☐ You don't pay the full price up front. Don't pay too much deposit and don't pay progress payments before required under the contract or in advance of the progress of work on site.

For further details on many of these subjects see the *Domestic Building Contracts – General information for owners and contractors* booklet



DURING CONSTRUCTION

Workplace health and safety

The contractor acts as “principal contractor” for the purposes of the requirements of the *Work Health and Safety Act 2011* for the duration of the contract.

The contractor must ensure all persons at the site comply with all applicable requirements pursuant to the *Work Health and Safety Act 2011* and may exclude or remove from the site any person who fails to comply.

NOTE

Licensees are obligated by law to notify the QBCC of incidents during construction causing, or exposing persons to the risk of, death, serious injury or illness.

Building approvals and inspections

This section aims to answer common questions about the building approval and inspection process in Queensland.

Who can provide building approvals and inspections?

Approvals for building work must be obtained from a building certifier. All building certifiers must be licensed with the QBCC. Inspections for compliance of building work must be carried out by a building certifier or a competent person authorised to do so by the building certifier.

NOTE: It is unlawful for a building certifier to certify or approve work with which they are personally involved as a builder or designer, or from which they are able to derive a profit.

NOTE

While the builder has a statutory obligation to notify the certifier at certain construction stages, home owners are ultimately responsible for ensuring that approvals are granted and the required inspections are carried out.

(Arrangements for building certification and inspection should, therefore, be discussed and agreed with the builder and recorded in the contract).

Under the conditions of contract, the owner may be entitled to copies of certificates from the builder as soon as practicable after they are issued to the builder, or alternatively they may be obtained directly from the certifier subject to a written request. Where the contractor engages the certifier, **your contract may require the contractor to give you copies of all inspection certificates before you are required to make the final contract payment.**

What is the building certifier's role?

Usually the contractor will engage the building certifier on behalf of the home owner. If, however, you wish to engage the building certifier you should check their licence details with the QBCC, ask them about their past experience, and contact past clients. Under the *Sustainable Planning Act 2009*, the engagement must be in writing and must state the fees payable.

There are a number of matters over which building certifiers have no authority and which can only be decided by the local government. These include: exercising discretion on the siting of buildings (e.g. reducing the setback requirements); and granting practicality and disability exemptions for the installation of swimming pool fences. The owner will need to consider if they or the builder is to be the applicant for the building approval.



What is the purpose and timing of building inspections?

The primary function of on-site building inspections is to ensure that construction work complies with the approved plans and recognised building standards, including the Building Code of Australia (BCA). Building certifiers are required to act in the public interest. It is not the role of the certifier to ensure compliance with the terms of the contract or to assess the quality of the work or to perform ongoing supervision on behalf the owner.

Under the relevant Queensland legislation, building inspections on dwellings must be performed at the following stages - footing, slab, frame and final.

Who is responsible for supervision and quality control?

The builder has primary responsibility for ensuring that the project is constructed to an acceptable standard in accordance with all relevant laws and legal requirements and the contract documents, including the plans and specifications.

How can construction standards and quality be confirmed?

If consumers have specific requirements with regard to quality and finish, these details (e.g. type and number of coats of paint, materials to be used, etc.) should be discussed and written into the contract. The next step is to carry out regular on-site inspections, by arrangement with the builder or builder's supervisor.

Owners should not deal directly with individual tradespeople as the owners do not have a contract with these tradespeople and, in any event, the subcontractors cannot speak with authority about the whole job.

If home owners are not confident that they have sufficient time or knowledge to ensure the quality of the work, they may wish to engage a consultant or representation to monitor the job on their behalf (ensure that the consultant is properly qualified and experienced and check with their past clients).

The builder should be informed in writing of any such arrangement and what the consultant or representative's role is to be.

BUILDING DISPUTES

What causes disputes?

Disputes between builders, trade contractors, building designers and consumers occur for many reasons including:

- inaccurate or incomplete documentation
- poor communication
- unsatisfactory work
- delays
- lack of knowledge of building practices
- unrealistic expectations.

How to avoid disputes

Builders, trade contractors and building designers should ensure that:

- their licence is current and appropriate for the work to be done
- the nature of the work to be done, how long it will take and exactly what it will cost, are explained and given in writing to the home owner
- all variations are recorded in a written variation document and given to the home owner for approval
- all parties understand their rights and responsibilities and sign the contract; and
- owners are given a copy of the QBCC Consumer Building Guide and foundations data (if required) at the appropriate time.

Home owners should ensure that:

- they understand the sequence and key aspects of the building process
- the builder, trade contractor or building designer has a current and appropriate licence for the work to be done (ask to see their licence card, write down the name and number on the card, and visit our website or phone the QBCC to confirm that the contractor is currently and appropriately licensed for the job and to obtain some details of their past performance)
- the builder, trade contractor or building designer's work is recommended by past customers
- the contract clearly specifies the extent and timing of work to be done, total price and payment details
- their rights and responsibilities are detailed in the contract and understood (Note: In particular, be sure you're familiar with the "cooling off" provisions)
- they receive a copy of the QBCC Consumer Building Guide (if the contract price is \$20,000 or more) and any required foundations data before signing their contract, and
- the contract and any variations are signed by both parties (and copies kept on file).

When QBCC can't help

- when the value of the building work is less than \$3,300, including labour, materials and GST - excluding plumbing, drainage, gas fitting, chemical termite management system installation, building design, site classification, fire protection and completed building inspections, which can be investigated regardless of the value and hydraulic design work valued over \$1,100
- when your complaint is lodged outside the statutory timeframes (refer to the QBCC website under Building Complaints)
- when complaints are solely about electrical work (contact the Electrical Safety Office)
- when you can't identify the contractor responsible for the work
- complaints about dividing fences (except if the work is defective)
- when the complaint is about contract conditions and payment disputes (refer to QCAT's Building Disputes page for more information).

Dispute resolution

When negotiations between you and your builder or trade contractor break down, and rectification work is not completed, there are options and procedures for resolving your dispute.

What can the QBCC do for you?

QBCC provides an equitable and effective dispute resolution service for disputes between QBCC licensees and home owners concerning building defects. You should contact your nearest QBCC office should your attempts to reach an amicable solution with your building contractor break down.

Your first step is to convey your concerns in writing to your building contractor, giving them a reasonable time (say, 14 days) in which to address the matter. Make sure you date, sign and keep a copy of the letter for your records.

NOTE

You should seek legal advice to investigate your options before taking any of these steps.

This is particularly important if you intend to terminate the contract.

It is very important that you obtain formal legal advice before terminating your contract for any reason.



If you still can't resolve the problems in a reasonable time, call your nearest QBCC office to discuss the matter. To access the QBCC dispute resolution service you will have to complete a Residential and Commercial Construction Work Complaint Form (available on the QBCC website or from any QBCC office) and provide a copy of your letter to the contractor and other relevant documents.

A QBCC Resolution Services Officer will assess your submission and contact you and the contractor to try to facilitate an agreement. Only if this is unsuccessful and if defective work is alleged, we may inspect to decide if the work is defective or not. If we find the work is defective, we can issue a formal notice (called a Direction to Rectify) to the contractor giving them 35 days to fix the work. If the contractor is required to rectify defects you must allow them reasonable access to the site.

Queensland Civil and Administrative Tribunal (QCAT)

QCAT provides cost-effective dispute resolution, particularly for building disputes of a contractual nature. QCAT do however require you to first apply to resolve your dispute through the QBCC before they will accept an application to decide a building dispute.

At the end of the QBCC's dispute resolution process we will issue you a letter so you can apply to QCAT if you'd like their help.

More information on the Tribunal's procedures can be obtained by calling 1300 753 228, or visiting their website qcat.qld.gov.au

Other options

There may be other remedies available to you under the contract, including liquidated damages (where you receive a pre-arranged amount of money per day if the builder fails to complete the project on time), or, in certain circumstances (e.g. major blowouts in costs or construction time), termination of the contract. Action in the court system may also be available.

THINKING OF OWNER BUILDING?



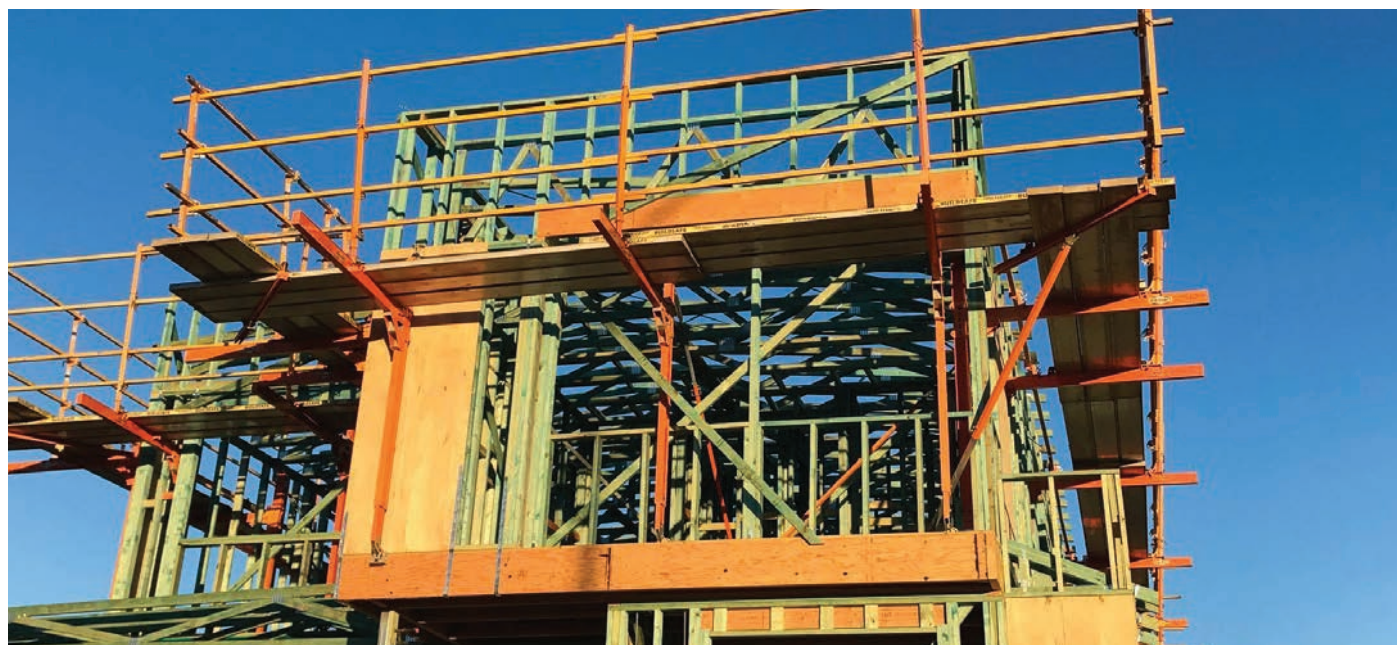
It is a requirement under the *Queensland Building and Construction Commission Act 1991* (QBCC Act) that if you wish to perform or coordinate owner building work on your own property valued at \$11,000 or more (i.e. the cost if a licensed builder performed the work – including labour, materials and GST), you must obtain an Owner Builder Permit.

For more information on owner-building, visit our website qbcc.qld.gov.au



WARNING

There is NO Queensland Home Warranty Protection for Owner Builders!



QUEENSLAND HOME WARRANTY SCHEME

Make sure you're covered

The Queensland Home Warranty Scheme provides consumers with the most comprehensive home warranty protection available.

Cover commences from either the date of payment of the premium, the date of signing a contract or when the building contractor commences the work (whichever is the earliest).

What is covered?

The Queensland Home Warranty Scheme covers specific building work called residential construction work. Residential construction work is building work over \$3,300 in value carried out by a licensed contractor under a contract for the following:

- the construction of a house, duplex, townhouse, villa unit, multiple dwelling of 3 storeys or less (excluding the lowest storey if it consists mainly of a car park), related roofed buildings (i.e. garage, pool change room, etc.)
- building work that affects the structural performance of a residence or related roofed building, relocation or replacement of a roof, wall, internal partition, floor or foundations, extensions, decks and verandahs, bathroom and kitchen renovations and installation and repair of the primary water supply, sewerage or drainage or storm water discharge for a residence or related roofed building
- construction/installation of a swimming pool
- building work for the renovation, alteration, extension, improvement or repair of the building envelope for a residence or related roofed building*
- installation of a manufactured home in a residential park.

Pre-practical completion

The Queensland Home Warranty Scheme provides up to \$200,000 standard cover for non-completion, defective work, subsidence, vandalism or forcible removal of goods or materials, and up to an additional \$200,000 for loss resulting from fire or storm damage prior to practical completion.

The scheme provides compensation for loss suffered by consumers for non-completion, defects and subsidence or settlement if a contractor fails to complete a contract for residential construction work and a contract is terminated by the consumer upon the contractor's default. Such circumstances include cancellation or suspension of the contractor's QBCC licence and liquidation or bankruptcy of the contractor.

Post-practical completion

If the Dispute Resolution process fails to resolve disputes about defects, subsidence or settlement issues or the contractor is incapable of rectifying defects or subsidence (e.g. liquidation, deceased), that arise after the contract reaches practical completion, the Queensland Home Warranty Scheme provides compensation for eligible consumers for the reasonable cost to rectify defects, subsidence or settlement up to \$200,000.

NOTE

The Queensland Home Warranty Scheme provides substantial cover against non-completion, defects and subsidence for up to 6 years and 6 months

Accommodation cover

If a claim is approved the terms of cover also provides (within the \$200,000 limit), up to \$5,000 for:

- reasonable cost of alternative accommodation and
- furniture removal and storage costs necessarily incurred as a result of the delays in completing or rectifying the residential construction work.

For full details of the terms and conditions of your policy please refer to Queensland Building and Construction Commission Regulation 2018, schedule 6, which can be found here: <http://bit.ly/2f5KqBb>

Optional additional cover

The Queensland Home Warranty Scheme helps protect home owners from additional costs resulting from a licensed contractor not fixing their defective building work or not completing their contracted work. The standard cover offered is a maximum of \$200,000, which includes a maximum of \$5,000 for alternate accommodation, removal and storage costs.

Home owners now have the option to purchase additional cover and increase their maximum entitlement to \$300,000, which includes a maximum of \$10,000 for alternate accommodation, removal and storage costs.

After the contract is signed, and before the work starts, the licensed contractor must pay the mandatory premium for the work, which entitles the owner to standard cover. Documents sent to the home owner by email as a result of this payment include a customised link to myQBCC, our digital service centre, where the optional additional cover premium can be paid.

The home owner may purchase the optional cover within 30 business days from entering the contract, or before the work has started (whichever is earlier).

Who pays the premium?

The licensed contractor must collect from the consumer and pay to the QBCC the appropriate premium.

The Queensland Home Warranty Scheme is financed by the payment of a premium by the contractor. The premium must be paid to the QBCC before 10 business days from date of contract, or the work starts, whichever is earlier.

***Building envelope**, for a residence or related roofed building, means the outermost sides of the aggregation of the components of a building that have the primary function of separating the internal part of the residence or related roofed building from the external environment. Example of a building envelope—the slab and footings system, an external wall and a roof.



Check your level of cover

You should receive a Notice of Cover from the QBCC within 10 days of payment of the premium by the contractor. Ensure the notified contract value is correct. If the value of the work shown on the Certificate of Insurance differs from that on your contract, advise us immediately so an appropriate adjustment can be made.

Under-pricing

A contract is said to be under-priced when the contract price is lower than the reasonable market rate for the work. The work cannot, without making a loss, be completed for the contract price.

Contractors in financial difficulty may under-price a contract in order to win more work, and generate cash flow from deposits and preliminary payments, which is used to pay secured and priority creditors.

Other contractors may inadvertently under-price a contract, or number of contracts, resulting in losses, which in turn results in their financial failure that results in non-completion claims.

The terms of cover provide that in a non-completion claim, if the insurable value of the work exceeds the contract price by more than 30%, the QBCC must reduce the claim entitlement payable by the amount of the excess.

Prepayment

A prepayment involves a consumer paying money to the contractor before the payment is due in accordance with the contract payment schedule.

Contractors in financial difficulty may claim payment for stages before they are reached in order to generate cash flow, which is used to pay secured and priority creditors.

The terms of cover provide that in a non-completion claim, if a consumer makes a prepayment, the QBCC must reduce the claim approval by the amount of the prepayment.

The amount of the prepayment is the cost of completing the relevant stage. In effect, if the owner pays money they were not contractually obliged to pay, the owner will be penalised by having their claim reduced by the amount it costs to complete the work they have paid for.

Example: where a consumer pays the entire frame stage amount but the work is only 10% complete. The cost to complete the frame stage is \$54,000 – this is the prepayment amount, and any claim payment must be reduced by \$54,000.

Other matters to consider

Timeframes

All claims must satisfy specific timeframes.

If the claim does not satisfy these timeframes it must be declined.

The timeframes are as follows:

- Non-completion:
 - » Contract must be terminated within 2 years of the date that work commences.
 - » Claim must be lodged within 3 months of termination.
- Structural defects:
 - » Defects are covered for 6 years 6 months from the date (whichever is the earlier) of payment of the premium, a contract is entered or work is commenced.
 - » Claim must be lodged within 3 months of the date of defect becoming evident.
- Non-structural defects:
 - » Defect must be evident within 6 months of completion.
 - » Claim must be lodged within 7 months of completion.

For further information regarding the Queensland Home Warranty Scheme for contracts signed on or after 28 October 2016 refer to the QHWS Product Disclosure on the QBCC website.



Cost-plus contracts

Cost-plus contracts are not covered for non-completion.

A cost-plus contract involves a “pay as you go” arrangement, with no certainty as to the final cost of the work.

Example: a contract to renovate a home. The contract specifies that the owner will pay the contractor's costs plus a margin of 15%. There is no certainty as to what the final cost will be – it depends on how much it costs to do the work.

A claim for non-completion requires that the consumer has a fixed price contract with a contractor – i.e., there must be certainty about the final cost of the work. If a consumer has a cost-plus contract, the claim for non-completion will be declined because it is not possible to quantify what, if any loss the owner has suffered.

Construction management contracts

A construction management contract is a contract whereby the home owner engages a construction or project manager to manage the carrying out of work. The construction manager is paid a fee for the services provided. The home owner enters into contracts with, and pays trade contractors and suppliers, directly.

A construction management contract is not covered for non-completion work. Construction management trade contracts however, provided they were for fixed prices and otherwise met the terms of cover, could be the subject of a non-completion claim in the event the trade contractor failed to complete the work.

Rectification of defective work prior to lodging claim

The terms of cover provide that a consumer is not entitled to compensation where a consumer rectifies or completes the work without QBCC's prior approval. This is because the QBCC is unable to verify the validity of the claim, or quantify it.

Under the terms of cover, the QBCC must decline the claim where a consumer rectifies or completes the work without QBCC's prior approval.



ADDITIONAL RESOURCES

For details on key services of Workplace Health and Safety Queensland and the Electrical Safety Office, visit [worksafe.qld.gov.au](https://www.worksafe.qld.gov.au).

For details on key services of the Office of Fair Trading Queensland, visit qld.gov.au/law/fair-trading.

For details on Queensland Civil and Administrative Tribunal procedures visit, qcat.qld.gov.au.

To check your architect is registered with the Board of Architects Queensland visit, boaq.qld.gov.au.

To check your engineer is registered with the Board of Professional Engineers Queensland, visit bpeq.qld.gov.au.

For eligibility requirements for First Home Owner Grant and Stamp Duty reductions contact, visit treasury.qld.gov.au.

For details on sustainable design for domestic building projects, visit epw.qld.gov.au or des.qld.gov.au.

NOTES

For more information

Visit qbcc.qld.gov.au or call us on **139 333**.

