



INFORMATION SHEET

Workplace Services

Current at: 1 September 2016
HIA ref no: VFSCON1189

VIC – Using HIA Domestic Construction Management Contract

** Please note, the below information is applicable to all contracts signed from 1 September 2016.*

Consumer Guide and Check list: Ensuring you have a compliant contract

From 1 September 2016, builders entering into a Victorian Domestic Construction Management Contract will be required to provide owners with a Domestic Building Consumer Guide approved by Consumer Affairs Victoria (CAV) before the contract is signed.

From 1 September 2016, the **Owner**, and not the building practitioner, must appoint a private building surveyor for any domestic building project. The building practitioner may however appoint the municipal building surveyor without the **Owner** making the appointment. HIA suggests that you should not enter in to a domestic building contract without the **Owner** first appointing the private building surveyor or a municipal building surveyor being appointed.

The CAV checklist that must be included in all major domestic building contracts has also been updated to ensure that the appointment of the building surveyor is made by the **Owner**. To ensure you comply with the changes, the Consumer Guide should be inserted in to all major domestic building contracts along with the new updated check list.

HIA is currently in the process of amending its standard contracts to include the Consumer Guide and updated check list. Other amendments are also being made to this contract.

What do I need to do?

The following steps should be taken by builders who have pre-purchased contracts that do not include the new checklist or the Domestic Building Consumer Guide to ensure that you comply with the new contract requirements:

1. Place two diagonal lines across the checklist on page 1. Mark the check list with 'N/A' between the diagonal lines so that client understands the checklist is no longer applicable. An example is on the next page.
2. Attach a copy of the new checklist by stapling the checklist to the top left hand corner of page 1 of the contract. A copy of the checklist can be downloaded from the Consumer Affairs website at: <https://www.consumer.vic.gov.au/buildingguide>.
3. Staple the Domestic Building Consumer Guide to the back cover of the contract by placing a single staple to the top left hand side of the Guide to attach it to the contract. A copy of the checklist can be downloaded from the Consumer Affairs website at: <https://www.consumer.vic.gov.au/buildingguide>.
4. Insert special conditions in the contract to confirm that the **Owner** has appointed the Building Surveyor and state that the **Owner** is responsible for paying the building surveyor.

Should you require further information, please contact a Workplace Advisor on 1300 650 620.

DISCLAIMER - The above is intended to provide general information in summary form. The contents do not constitute specific advice and should not be relied upon as such. Formal specific advice should be sought by members with respect to particular matters before taking action.

**NOTICE APPROVED BY THE DIRECTOR OF
FAIR TRADING AND BUSINESS AFFAIRS
PURSUANT TO SECTION 31 (r)
OF THE DOMESTIC BUILDING CONTRACTS ACT 1995**

CHECKLIST

**BEFORE SIGNING THIS LEGALLY BINDING CONTRACT
CHECK THIS LIST**

- Has an Insurance policy or certificate of currency for builder's Insurance been issued and provided to you? If not, the Contract is conditional upon you receiving either an insurance policy or a certificate of currency for builder's insurance. **YES or NO**
- If this Contract is conditional upon the Building Owner receiving written approval for finance has the Building Owner obtained such approval? **YES or NO**

If you answer 'no' to any of the following questions you are not ready to sign the Contract:

- Has the Building Owner had this Contract long enough to read and understand it? **YES or NO**
- Has the Building Owner been provided with evidence that the Builder named in this Contract is registered with the Building Practitioners Board? **YES or NO**
- Are the price and progress payments clearly stated? **YES or NO**
- Does the Building Owner understand how the price is calculated and may be varied? **YES or NO**
- Has the Builder assessed the suitability of the site for the proposed works and if tests are necessary have they been carried out before signing the Contract. **YES or NO**
- If a Deposit is payable, is it within the legal limit?
The maximum under the Domestic Building Contracts Act is:
(i) 10% of the Price is less than \$20,000 or;
(ii) 5% if the Price is \$20,000 or more. **YES or NO**
- Is the work shown and described clearly in the Contract, plans or specifications and any other relevant documents such as engineering computations or soil reports? **YES or NO**
- Are the Building Owner's special requirements or finishes included in the plans or specifications? **YES or NO**
- Are the commencement date and completion date clearly stated or capable of being ascertained? **YES or NO**
- Is the procedure for extensions of time understood? **YES or NO**
- Are any 'provisional sums' or 'prime cost items' clearly stated in the schedules and understood? **YES or NO**
- Is the procedure for variations of plans or specifications understood? **YES or NO**
- Do you understand the circumstances in which you can end the Contract? **YES or NO**

NOTE: This checklist does not form part of the Contract.

Read, signed and dated by the Building Owner _____

Date: / /20

BUILDER COPY

Special condition 1

Insert a new item 23 into Schedule 1.

The **Building Surveyor** appointed by the **Owner** for this Contract is:

BUILDING SURVEYOR
ABN
of
.....
Postcode Telephone
Email Fax
Reg. No.

I/we acknowledge that the **Building Surveyor** was appointed by me/us before signing this contract.

.....
[Owner/Owners to sign]

Special condition 2

The following clause is to replace clause 29.4 in the general conditions:

29.4 If either the *client* or the *construction manager* refers a domestic building work dispute to the chief dispute resolution officer under Part 4 of the Domestic Building Contracts Act 1995 they must within 5 days give a copy of the referral to the other party.

Special condition 3

Insert a new clause 11.3:

11.3 The *client* is responsible for paying for fees of the *Building Surveyor* appointed by the *client* as owner of the site.