

# Building and renovating

## A guide for consumers

August 2010



DEPARTMENT  
OF JUSTICE

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# Contents

- Introduction ..... 3
- Avoiding common pitfalls ..... 4
- Finance..... 6
- Building for our environment ..... 13
- Choosing your block ..... 16
- Choosing a display home ..... 17
- Extending and renovating..... 19
- Becoming an owner builder ..... 22
- Buying off-the-plan ..... 24
- Your plans ..... 26
- Choosing your builder..... 30
- Your contract..... 34
- Your building surveyor ..... 38
- Construction ..... 40
- Managing a dispute ..... 42
- Completion ..... 43
- Fences ..... 44
- Keeping your home safe..... 46
- Building definitions ..... 48
- Useful contacts..... 54



**Before you build or  
renovate a house  
it pays to do  
your homework.**



# Introduction

Building and renovating your home can be an exciting, expensive and complex experience. Before you even start to build, there is a lot of information to collect and important decisions to make. If you're considering building a new home you can choose to:

- buy a house and land package
- build a house based on a display home on your own land
- build a home through a sales agent
- use an architect or designer and a smaller building company
- use a small design and build company
- become an owner builder
- buy a home being constructed off-the-plan.

If you are extending your home you can:

- use a larger extension company that manages your plans, council and building permits and construction
- use an architect or designer and a smaller building company
- use a small design and build company
- become an owner builder.

If renovating, you may need to:

- engage a range of tradespeople, or
- engage a builder to supervise the entire project and coordinate subcontractors for you.

The level of your involvement in the project will vary according to the option you choose. Volume builders, large extension companies and architects or designers may design and draw up the plans

and get permits on your behalf. Architects may also help you find the right builder at the right price and provide contract administration during construction. But regardless of the size or style of your building project, it pays to know what you are signing up for when applying for permits and signing contracts and to get advice from a building lawyer.

Most homeowners are keen to get started with their project so they can enjoy the benefits of their new, extended or renovated home. Doing the research to make confident and informed choices can be time consuming and sometimes seem overwhelming.

But this could be one of the largest transactions you'll ever make, so it pays to take your time. Knowing in advance exactly what you want and what you can afford, and placing the details and price clearly in your contract are the foundations for all satisfying home building and renovating experiences. It also pays to seek independent expert help.

If you've never experienced a home building project before or if it's been a while since your last project, this guide will help you to make confident decisions before you sign a contract.

In addition to reading this guide, we encourage you to research, shop around, negotiate and take your time in making decisions. If you have any questions, please call Consumer Affairs Victoria on 1300 55 75 59. For the most up to date information visit [www.consumer.vic.gov.au](http://www.consumer.vic.gov.au).

# Avoiding common pitfalls

Every year over 80,000 Victorians use a builder to complete a home building project. While the majority of homeowners do have a satisfying experience, each year Consumer Affairs Victoria assists an average of 2000 people with disputes. Among these disputes, the most common complaints are about:

- poor workmanship, such as cracks in tiles, plaster, flooring, cabinets and bench tops, leaking plumbing and roofs and poorly laid paving or concrete
- builders who fail to start, complete or fix works or take larger deposits and stage payments than allowed by law
- delays in starting or completing work
- price increases resulting from continual changes to contract details after work has commenced.

We have also found that some homeowners run into trouble because they misunderstand their rights and responsibilities and those of their builder and building surveyor.

## Contracts, insurance and registered builders

For all building works – regardless of the size and price – it is wise to have a written domestic building contract that includes plans and specifications for works and items to be supplied. All building contracts include implied warranties stating your rights to good workmanship and work that is fit for purpose. The contract becomes a crucial document in settling any conflict that may later arise about what you can rightfully expect and what the builder is obliged to supply.

For all building projects over \$5000 you and your registered builder must sign a major domestic building contract. And for all contracts over \$12,000 your registered builder will need to take out domestic building insurance for work at your home. Only registered builders can enter into a major domestic building contract and obtain domestic building insurance, so it is vital to use a registered builder. You can check a builder's registration online at [www.buildingcommission.com.au](http://www.buildingcommission.com.au) or by calling the Building Practitioners Board (BPB) on 1300 815 127.

## Domestic building insurance

In Victoria, domestic building insurance covers costs of up to \$200,000 for fixing structural defects for six years and non-structural defects for two years, but only covers you if your builder has died, been declared insolvent or has disappeared. **In all other cases, it is up to your builder to fix or complete works or to pay for any costs awarded.**

Each year Consumer Affairs Victoria assists an average of 2000 people with building disputes.



## Using implied warranties

All domestic building contracts, regardless of the price, include warranties by the builder to:

- carry out the work in a proper and workmanlike manner, in accordance with the plans and specifications set out in your contract
- ensure all materials supplied by the builder are good and suitable for the purpose and, unless otherwise stated in the contract, are new
- carry out the work in accordance with all relevant laws and legal requirements
- carry out the work with reasonable care and skill and complete works by the date (or within the period) specified by the contract
- ensure new homes, extensions, renovations and kit homes (or similar) are suitable for occupation when completed
- ensure other types of work are reasonably fit for your intended purpose.

You can use your contract warranties to ensure your builder:

- uses good workmanship
- delivers everything listed in your contract
- ensures everything is in working order.

## The building surveyor's role

Many homeowners believe their building surveyor controls the quality of the entire project and will safeguard them against poor workmanship or works that do not match the description in their contract.

This is not the case. The building surveyor's role is to issue your building permit, inspect works to ensure they comply with building regulations, which primarily relate to health, safety, amenity and sustainability, and issue your occupancy certificate.

It is your builder's responsibility to deliver everything included in your contract. And it is your responsibility to ensure that everything you want is clearly listed in your contract. If you have any concerns, it is also your role to discuss the issues with your builder so they can be resolved. Unless you have technical expertise in the area, you should seek the advice of an independent building consultant.

## Using independent expert help

Before you sign your building contract, it is wise to use an independent building lawyer to ensure that the contract contains everything required by the law and fairly balances your rights and obligations with those of the builder.

While your builder is obliged to deliver everything that is included in your contract, you can monitor the progress by communicating regularly and by using an independent building consultant to supervise the entire project, or to make checks before you make stage payments.

Independent building consultants are qualified architects, engineers, building practitioners or building surveyors who make inspections or manage works on your behalf. They should carry professional indemnity insurance. To find an independent building consultant, contact a relevant professional organisation or look in the Yellow Pages under building consultants and building inspection services.

Depending on the scope and price of contract you have with your independent building consultant, the consultant may need to be registered to carry out the work.

For peace of mind, it is wise to include the cost of these services in your budget.

# Finance

## Assessing costs

Regardless of which building or renovating option you choose, it pays to shop around before committing yourself.

If you're looking at building a display home, you still need to choose the right home at the right price for you.

If you've decided to use a smaller building company, you may need to talk to architects or draftspeople and builders to get an idea of the cost of different sized homes and different quality finishes.

For alterations to a bathroom, kitchen, laundry and other rooms, talk to specialist building companies and other builders. Visit display homes and building advisory centres to help you decide what you want and what you can afford.

Obtain a copy of a cost guide to get an idea of building costs for additions and extensions and a wide range of renovations and repairs. These are available from Archicentre (1300 13 45 13) and Cordell Information (1800 80 60 60). Figures provided are general costings.

Building prices can vary significantly depending on the builder you select, your choice of materials, the method of construction, the fixtures and finishes you choose and the economic conditions. Larger works achieve a more economical price per square metre. The standard of work you require, the ease of site accessibility and whether you choose to do some of the work yourself will also affect the final price.

Make sure your building contract includes the following costs:

- the building fee, which may or may not include the cost of mandatory inspections by the building surveyor and may vary between companies
- planning permit fees (if your council requires a planning permit)
- lodgement fee paid to the local council for recording purposes
- crossing deposit or asset protection fee paid to the local council and refundable at the end of the project if no damage has occurred to council property
- inspection fee, a non-refundable fee paid to the council for the cost of their inspection of council assets
- Goods and Services Tax (GST)
- government levy charges when the contracted cost of works is over \$10,000. There are three levies based on the total cost of your building, which also apply to owner builders. Your building surveyor can advise you of these costs.

Once you have shopped around and worked out how much you think your home building project will cost, we recommend that you add an extra 15 per cent to your estimate, to cover contingencies.

## Associated financial costs

Many people take out a home loan to cover the cost of building a new home or an extension, while others redraw on their existing loan to complete renovations or home improvements.





*Plan to have enough funds to cover unexpected costs.*



When assessing how much to borrow, you should also factor in additional costs associated with getting a loan such as:

- legal fees
- loan establishment fees
- government charges, such as stamp duty and GST
- property inspection fees
- fees for independent legal and technical advice throughout the project
- furniture storage costs
- rent
- moving costs
- building and contents insurance.

It is also advisable to include a margin to allow for potential rises in interest rates. In the last two decades, rates have been as low as 5 per cent and as high as 17 per cent.

## Getting a home loan

### National Consumer Credit Code

To ensure fair dealing and protect the interests of consumers, all lenders must comply with the National Consumer Credit Code that states lenders must provide:

- a statement outlining the borrower's rights and obligations
- a pre-contractual statement about certain financial information that must be included in the contract
- a schedule of comparison rates.

This protects you as a borrower and helps you to compare products. If you need any information about credit, call the Australian Securities & Investments Commission (ASIC) on 1300 300 630.

It is advisable for owner builders to make their loan application before starting works.



### Lenders

Home loans are available from banks, credit unions, building societies and finance companies.

Some building companies offer financial advice or refer you to a lender. Remember, anyone offering financial advice must be licensed. It is wise to get independent financial advice and compare loans from independent lenders before signing up with the lender suggested by your builder.

### Mortgage brokers/finance brokers

A mortgage broker can assist in finding the right loan. Brokers must be registered or licensed with ASIC.

Registered or licensed credit providers and brokers have obligations under the law to:

- give you enough information about a credit product (including any fees, charges and commissions) so you can make an informed decision
- check that any loans you are offered are suitable for you (that is, you will be able to afford repayments without substantial hardship)
- try to help you if you have trouble making repayments because of illness, unemployment, or other financial difficulties.

Even if you use a broker, it is wise to do some research to be sure that the recommended loan is the right one.

When shopping around for brokers, find out if they:

- belong to an industry association
- are independent or if they only deal with a certain lender
- have professional indemnity insurance
- are a lender as well as a broker, as this may affect their recommendations
- offer a wide range of loans from a variety of independent lenders
- can justify their recommendations.

When using brokers it is also crucial that you:

- do not pay an upfront fee
- make sure they disclose all fees and commissions prior to signing you up
- ask to see a copy of the application and any financial details they send to the lender on your behalf.

It is important to note that before the broker can begin negotiating on your behalf, they must give you a signed copy of the document of appointment. The appointment document must state:

- the amount of credit or the maximum credit to be negotiated
- any requirements as to the term of contract
- the maximum annual percentage rate(s) the client is prepared to pay
- how long the broker is appointed for
- an agreed maximum amount of credit application fees and valuation fees the client may be required to pay.

## Lending criteria

For most institutions, your ability to borrow will depend on:

- your income and capacity to repay
- the loan to value ratio (a ratio that compares the total loan amount with the purchase price or property valuation amount)
- for new homes, the amount you have as a deposit (most minimum deposits are between 5 and 10 per cent of the purchase price). Some lenders require proof through bank statements that a certain amount of the deposit comes from your own savings.

Most lenders will approve a loan 'in principle'. This allows you to be confident of your spending limit when planning your building project. The approval is usually valid for six to 12 months but needs to be renewed after this period.

## Criteria for owner builders

Lenders generally have stricter criteria for owner builders. Some don't lend money at all to owner builders, while others lend only a percentage of the total cost or lend only to building-related tradespeople.

It is advisable for owner builders to make their loan application before starting works, as it may be difficult to get finance once building has begun. If you choose to be an owner builder, it is also wise to have a building process plan to show lenders. This will also help you to manage your cash flow once you commence the project. It is also important to note that some lenders do not provide mortgage protection insurance to owner builders and may charge larger inspection and valuation fees.

When shopping around, ask about policies lenders have for loans to owner builders, the amount available as a loan, the equity required and any other special conditions.

## Types of loans

Home loans are generally referred to as a mortgage but there are a variety of home loans available with different interest rates and payment styles.

Choosing the right home loan is as important as choosing the right builder. Lenders will advise on the types of loan available. Make sure you obtain as much information as possible in writing and that you understand the fees, ongoing charges, penalties and other terms and conditions before signing an agreement.

There is intense competition among lenders. The loan that appears to be the cheapest because it has the lowest interest rate may not be the cheapest option in the long term.

You can use a mortgage simulator and comparison rates to help make an informed choice. Cannex and Infochoice allow you to compare home loans available in Australia. These are free services that can be viewed at [www.cannex.com.au](http://www.cannex.com.au) and [www.infochoice.com.au](http://www.infochoice.com.au).

Most lenders have mortgage simulator software that creates different models of a mortgage. This enables you to enter various figures for the amount of the loan, the duration of the loan, and the frequency of repayments (weekly, fortnightly or monthly). You can compare graphs for each model to find out differences in the amount you can pay off each year.

A comparison rate allows you to check the real cost of a home loan. It presents the comparison rate as a single percentage figure, based on the interest rate plus any fees and charges relating to the loan. For example, the lender's advertised interest rate may be 6.30 per cent, but the comparison rate may be 6.95 per cent. When using a comparison rate, make sure the loans you are comparing are of the same amount and for the same term.

The idea of paying off your home loan more quickly is very appealing and is used by some mortgage brokers as a method of attracting you to their loans. Essentially, there are only two ways

to pay off your home loan much faster:

1. Find a cheaper interest rate (which may not exist).
2. Make larger or more regular repayments on your loan.

In reality there is no magic trick or secret type of loan that will let you own your home sooner. Substantial savings are only achieved by consistently making additional payments on your mortgage. You therefore need to be very careful when brokers claim that you can own your home sooner and make substantial savings by using a line of credit mortgage facility.

To anyone paying a mortgage, the idea that you can own your own home free of debt sooner is almost irresistible. So how can you really pay off your mortgage faster? Should you refinance? Will extra features, such as a redraw facility, mortgage offset account or a line of credit help you? Or should you go for a basic 'no frills' loan instead, and make additional payments whenever you can?

### Key tips for reducing your mortgage

- Shop around for the best possible interest rate, because that's your single biggest cost. It's the underlying rate that counts, not the 'honeymoon rates'.
- If you're thinking of refinancing, make sure you'll be better off first. Don't get 'churned'.
- If you want additional features, look for a low interest rate loan that has them. Paying an extra 0.5 per cent interest for a loan with features that may save you money, will probably end up costing you more than you'll save.
- Make extra regular payments if you can. This will make the most difference in the first few years of the loan, but can be a good idea at any time.
- You may incur substantial costs for ending or switching from certain loans that can include:
  - termination or break fees, for exiting your current loan early. For fixed rate loans, in particular, such fees may be high. You will also have to pay the lender's legal fees for discharging the mortgage over your property
  - fees and costs associated with the new loan (application fees, stamp duty on your new mortgage, valuation and legal fees).



## Mortgage insurance

If you are borrowing 80 per cent or more of the purchase price, lenders generally require you to pay for mortgage insurance. This is an additional upfront payment, usually in the form of a one-off premium paid at settlement.

Mortgage insurance protects the lender in case you default on the loan and the sale of the property does not cover the amount you owe. It is important to note that if you default and the mortgage insurance is paid out, the insurance company will want you to repay the debt.

Under the National Consumer Credit Code, a lender can require you to take out mortgage insurance.

## Consumer credit insurance

Consumer credit insurance can be used to guard against losing your property by defaulting on loan repayments due to sickness, accident or unemployment. Carefully consider the costs of this insurance to ensure the benefits are worth the outlay. Also, study the terms and conditions for any restrictions or limitations, such as a three-month limit on cover.

Under the National Consumer Credit Code, it is against the law for a lender to require you to take out this type of insurance.

## First Home Owner Grant

The First Home Owner Grant scheme provides eligible first home owners with a one-off payment that can be used for the purchase of an existing home or to build a new home. The payment amount varies depending on several criteria – see [www.sro.vic.gov.au](http://www.sro.vic.gov.au) for details.

Some lenders will help to arrange the First Home Owner Grant application for their borrowers. Eligibility criteria and application forms are available online from the State Revenue Office of Victoria at [www.sro.vic.gov.au](http://www.sro.vic.gov.au).

## Controlling the building contract price

Once you have your loan approval, you need to ensure that your costs don't blow out. To avoid borrowing extra money that will be difficult to repay, it is important to know how to control the price of your building contract before you start.

By law, your major domestic building contract must have a price and state the legally permissible percentage of total price that you should pay as deposit when works commence, and as stage payments after each stage is completed.

Only items permitted by law, such as prime cost and provisional sum items, other identified costs, and variations can cause changes in the price. It is easier to stick to your original budget and avoid financial trouble by keeping these to a minimum.

## Permissible deposit

The law requires that the deposit you pay can be no more than:

- 10 per cent of a total contract price that is less than \$20,000, or
- 5 per cent of a total contract price that is \$20,000 or more.

Only sign your contract and pay the deposit after you have sighted your domestic building insurance Certificate of Currency.

Do not sign a contract and pay a deposit until after you have shopped around and made informed choices regarding the scope of works and the builder. When you are ready to sign the contract, ensure that it includes the usual price schedules and stick to them. Only agree to a different schedule in exceptional and unusual circumstances and ensure you understand the consequences of doing so.

There is a risk that if you pay too much for the early stages of the project, the builder may be unable to finish the work on time or fix defects. In some cases builders have taken the bulk of the

### Usual payment schedule

Type of contract	Percentage of total contract required	Stage of building when payment is made
Contract to build to Lock-up stage	20 per cent	Base stage
	25 per cent	Frame stage
Contract to build to Fixing stage	12 per cent	Base stage
	18 per cent	Frame stage
	40 per cent	Lock-up stage
Contract to build all stages	10 per cent	Base stage
	15 per cent	Frame stage
	35 per cent	Lock-up stage
	25 per cent	Fixing stage

money early in the project and not finished the building at all, leaving homeowners with a long and costly legal battle.

Also, if your builder has died, been declared insolvent, or has disappeared the domestic building insurance company may argue that they do not need to compensate you for advanced payments for work that has not yet been carried out.

If you are considering agreeing to a different payment schedule to the usual one, be sure to seek legal advice and examine your financial situation carefully. Do not agree to a different payment schedule if you cannot afford to make those payments. Once you sign a contract that includes a different schedule, you are obliged to make the payments as set out in your contract.

### Permissible price changes

Your contract will be easier to manage if you keep prime cost items, provisional sum items and variations to a minimum. Prime cost items are fittings or fixtures, for example a basin. Provisional sum items are those where the costs cannot be clearly defined at the time the contract is signed, and the builder therefore provides an estimate of the cost.

Where possible, don't agree to allowances for prime cost and provisional sum items. Be specific about fittings and extra work by including all costs before you sign the contract, as this will reduce possible cost increases.

Variations to the contract are changes you or your builder wish to make, or changes that your building surveyor orders after the contract has been signed and building has started. For most variations, the law requires you and your builder to agree in writing to the changes and document the details, including new price and completion date, in your contract before the work is undertaken.

Exceptions are variations that the builder reasonably believes will not:

- require a change of price
- cause delay
- add more than 2 per cent to the original contract price.

Other exceptions are variations that:

- are required by the building surveyor, and
- arise due to circumstances beyond the builder's control.

Keeping variations to a minimum is vital to controlling your finances as continual variations add up and can increase the final contract price above your budget.

The best way to avoid variations is to know exactly what you want and place all details in your contract plans and specifications before you sign it. That way, except for unforeseeable events that are outside of the builder's control, you know exactly how much the project will cost.

# Building for our environment

Climate change is now a reality. Drought affects large areas of the state, drinking water supplies are getting low and across the world supplies of traditional sources of energy are shrinking.

Now more than ever, it makes sense to build long-term sustainable practices into our lifestyles.

Building and renovating provides a great opportunity to create a home design and install efficient products that lessen your impact on the environment and save you money. It is much easier to build sustainable features into your home during planning and construction than waiting to fit them when the home is completed.

## Sustainable energy rating

Designers and builders in many countries, including Australia, now use an energy rating system of stars to indicate the level of sustainability achieved in the design and construction of a home. The more stars your home building plans and specifications achieve, the higher the energy rating on your home.

Victoria has minimum compulsory (mandatory) energy ratings for residential buildings. It is essential to check these before you commence planning and well before you apply for a building permit. To find out requirements of the current mandatory energy rating, check with Sustainability Victoria on (03) 8626 8700 or at [www.sustainability.vic.gov.au](http://www.sustainability.vic.gov.au) and the Building Commission on 1300 815 127 or at [www.buildingcommission.com.au](http://www.buildingcommission.com.au).

Accredited energy raters are available to assess your plans and specifications to ensure they meet the current minimum standard required by building regulations.

You can choose to go beyond the minimum required standard of energy rating when including features, materials and systems that conserve energy and water and minimise waste.

These measures will not only help reduce harmful carbon emissions and reduce your energy bills, but make your home a more comfortable place to live. Sustainable features also seem to attract home buyers and can increase the re-sale value of your home.

The following tips list a range of sustainable features you can choose from to save natural resources and costs.

## Energy efficient blocks

When choosing a block of land, consider:

- blocks that enable you to site the home facing north so that you get access to the sun. Avoid blocks overshadowed in winter by buildings, big trees, fences or other obstructions to the north
- rectangular blocks with long boundaries running north-south or east-west, especially blocks less than 500 square metres
- north-south running blocks wider than 11 metres (less if you have a two storey house and can use north windows on the upper floor as well)
- east-west running blocks wider than 12.5 metres, except where a street or parkland is to the north, in which case blocks can be narrower and still provide good solar access

- blocks that allow the north windows to daytime living spaces to be placed 4.5 metres or more from a single storey house to the north, or 8.5 metres or more from a double storey house to the north
- blocks that slope down to the north
- north-south or east-west blocks which face onto free open space to the north, such as a street, backyard or parkland.

## Saving energy

- Design all your daytime windows to face north and all evening areas (such as bedrooms) to face south, providing better night time comfort in summer. This takes advantage of the winter sun and reduces your winter heating bills by up to 25 per cent. Greater savings can be made by using double glazing. During summer, the sun is much higher in the sky than in winter, so north-facing windows are easily shaded with an eave or pergola to keep the home cool. In hotter parts of the state you may also need to also shade windows with blinds.
- Choose a design that gives you adequate distance between your north windows and your northern neighbour's lot.
- Use a design that maximises north-south ventilation flow to cool your house during summer, rather than relying on air conditioning.
- Install ceiling fans, rather than air conditioning.
- Use an accredited energy rater when planning and designing an extension, to identify ways to maximise energy efficiency. You may also receive advice on how to increase energy efficiency in existing rooms.
- Install wall insulation in old parts of your home when replacing plaster or weatherboards.
- Install heating that has the highest energy efficiency rating. In Victoria, gas water heaters, gas room and ducted heaters must have energy efficiency rating labels that enable you to compare products.
- Take advantage of a government rebate from Sustainability Victoria for installing solar power, a solar or high efficiency gas hot water system or heater.
- Purchase new electrical appliances with a high energy efficiency rating. In Victoria major electrical goods such as refrigerators/freezers, washing machines, clothes dryers and dishwashers must have energy rating labels that enable you to compare the efficiency of different makes and models. Appliances are rated on a six-star scale: more stars indicate more efficient appliances with lower running costs. Visit [www.energyrating.gov.au](http://www.energyrating.gov.au) for a list of energy labelled electrical appliances.
- Choose energy efficient lighting. There are many new products available for a wide range of uses. It is now possible to install energy efficient, compact fluorescent downlights and leds instead of halogen downlights.
- Contact Sustainability Victoria for advice on eco-friendly products and materials, go to [www.sustainability.vic.gov.au](http://www.sustainability.vic.gov.au).



## Saving water

Saving water is paramount on the world's driest continent.

- Visit [www.ourwater.vic.gov.au](http://www.ourwater.vic.gov.au) for advice on what you can do when building or renovating to make your new home or renovation as water efficient as possible.
- Take advantage of government rebates for a range of water saving products. To find out more visit [www.ourwater.vic.gov.au](http://www.ourwater.vic.gov.au).
- Choose water saving devices that also reduce your water bills: These include rainwater tanks for flushing toilets, systems that recycle household wastewater and use grey water to flush toilets, and replacing older taps and shower roses with more efficient ones.
- Check plumbing regulations that provide changes to the water flow measures and water pressure reductions at [www.pic.vic.gov.au](http://www.pic.vic.gov.au)
- Design a drought tolerant garden.

## Recycling

- Use recycled building materials: there are a number of quality outlets in Victoria that sell recycled timbers, roofing tiles, floorboards, windows and doors. See the Yellow Pages, under Building Materials – Second-hand. Your building surveyor must approve these materials.
- Design your kitchen with space for bins that allow you to separate rubbish for landfill from food that can go in the compost and paper, plastic, glass and tins that can be recycled.
- Use a compost bin to turn all your green, fruit and vegetable wastes into fertiliser for your garden.
- Use council recycling bins.

Sustainable features attract home buyers and can increase the re-sale value of your home.



## Reducing litter and stormwater pollution

- During construction, your builder must use appropriate measures to prevent rubbish blowing off the site and to stop muddy or chemical laden water entering the stormwater system. The Environment Protection Authority (EPA) of Victoria provides information about your builder's obligations to manage the potential off-site impacts of your project. Details are available from the EPA on (03) 9695 2722 and at [www.epa.vic.gov.au](http://www.epa.vic.gov.au).
- Find out about your council's laws relating to containment of rubbish and other materials on the site.
- Get a copy of *Asbestos in the Home* from the Department of Health to find out about safe handling and disposal of asbestos, by calling 1300 761 874 or visiting [www.health.vic.gov.au/environment/home/asbestos](http://www.health.vic.gov.au/environment/home/asbestos).

# Choosing your block

When choosing your land you'll probably be influenced by your budget, and whether you need to be near work, public transport, schools or other facilities. You will need to seek expert help when addressing some items in the checklist below.

## Checklist

- Have you established the correct location of your allotment? Your certificate of title shows your allotment entitlement, however you need to define your allotment boundaries on the building site to ensure your building, when constructed, is correctly positioned. This is determined by the position of the survey pegs located on the allotment that indicates your allotment boundaries. Only a licensed land surveyor can position these survey pegs (commonly referred to as a re-establishment survey).
- Have you checked the certificate of title for restrictions for building envelopes, easements, covenants and rights of access?
- Are there any special local council planning overlays that apply to the site that may impact on your house design?
- Are there any zoning or local council planning changes underway?
- Is the block suitable for the type of home you intend to build?
- Are services such as gas, electricity, water, sewerage and the telephone connected?
- Is a legal stormwater discharge point available directly to the allotment?
- Have you checked with relevant service providers about availability and costs of having services connected?
- Does the block and your subsequent plan provide for privacy, safe entry and exit, an energy efficient aspect and room for all your needs?
- Where are the boundaries and do you need fences?
- Can you get satisfactory building access to the block?
- Is the block well drained in regard to potential surface or sub-surface run-off?
- Are there any large trees located where you intend to build, or at a distance from it that is less than 1.5 times the tree's height?
- Do you have a copy of the plan of subdivision for the block from the local council? If so, does it show any cut and/or filling as extra costs may be incurred for footings.
- Have you reviewed the natural and finished levels of the block and the crossing and stormwater information?
- Do any trees, buildings and associated structures such as foundations and septic tanks need to be removed?
- Have you checked whether the block is prone to termites? Although your council will determine whether your block is located in a designated termite area, termites are not always confined just to these declared areas. Consequently, regardless of the location of your block, you should carefully consider measures to protect your new home against termite infestations.
- Is the block located in a flood-prone, landslip or snowload area?
- Is your land located in a designated bushfire prone area? If so, you may be required to use special construction techniques when building your home. Contact the Country Fire Authority (CFA) for detailed information on (03) 9262 8444 or visit the website at [www.cfa.vic.gov.au](http://www.cfa.vic.gov.au).

# Choosing a display home

Many people decide to build a house with a large building company (volume builder) that offers several designs based on display homes. This option can be affordable and can seem to save time, as the company already has plans drawn up and will usually obtain all permits on your behalf. But there are still important decisions to make regarding: which company to use, which display model you want, and what changes you want to make to the display model so that it suits your needs and budget.

If you are choosing to build a home that is an exact replica of the one on display, the volume builder is required by law to include in your contract exactly the same plans and specifications as those used to build the display home.

However, the home on display is sometimes the top model in a range. Most volume builders do allow you to customise the model you choose. This means you can vary the floor plan, fittings and fixtures to some extent, to suit your lifestyle and budget.

After choosing any variations, make sure you ask the sales person the exact cost of the home on display and the exact cost of building the version that you want. It is important to note that changing standard plans can lead to significant increases to the cost of construction.

When you have chosen a builder, it is wise to choose all your fixtures and fittings before you sign the major domestic building contract. Itemise the details of your choices (such as make, model, colour or style) in your contract, and don't leave any blanks.

Some volume builders request you to sign one or two documents before the main contract. These documents are commonly called preliminary agreements. A preliminary agreement document may also be called a quote, order, preliminary contract estimate, provisional quote to build on your land, authorised tender acceptance or contract request.

These preliminary documents may be used in the first instance to obtain a soil report but may also include costs for drawing up plans and specifications.

Volume builders usually own the copyright to display home designs and plans. This means that you cannot sign a preliminary document and pay a deposit for particular plans and then choose to have the home built by a different builder.

If you do sign a preliminary document and decide not to proceed with the building construction, the builder may be entitled to keep some or all of the deposit paid.

Before entering any agreement, regardless of what it is called, it is wise to seek advice from Consumer Affairs Victoria or a building lawyer.

Rather than sign any of these preliminary documents, it is preferable to choose your builder and include all works that you have agreed the builder will carry out for the construction of your home in one major domestic building contract.



*Changing standard plans can lead to significant increases to the cost of construction.*



# Extending and renovating

You will need to seek independent expert help to complete some of the checks below.

## Checklist

- Ensure the existing home is structurally sound.
- Find out if you need local council planning and demolition permits.
- Find out if you need a building permit.
- Obtain a copy of the Title of Land. Check for any covenants, building envelopes, easements and overlays that may restrict your building before you get a design and plans.
- Assess the space that you want and can afford. Make a detailed list of your specific requirements and desires. The more detailed and precise this list, the more satisfied you will be with the finished renovation.
- Decide whether you want to duplicate the original style of the house or add a contrasting modern style.
- If borrowing money for the project, use the finance section in this guide to choose an affordable loan and ensure you control the price of your building contract.
- Check that your existing house and content insurance is still valid during the period of construction.
- Get a quantity surveyor to provide independent advice on the cost of the project.
- If using an architect, arrange for tender documents to be forwarded to appropriate builders.
- Get a copy of *Asbestos in the Home* from the Department of Health before you start any demolition or do-it-yourself work (see page 15)
- Use the information in this guide to successfully plan for and manage each stage of your project.

Sometimes older homes don't reveal their hidden faults until the outer layers begin to be stripped away.



Extending, altering and renovating a home can be a stressful time, whether you are contracting a builder or completing the work as an owner builder.

You can usually count on the project costing more and taking longer than expected. Careful planning before you start will help you to manage the project well and minimise disruptions to your daily life.

Sometimes older homes don't reveal their hidden faults until the outer layers begin to be stripped away. Additional costs can include restumping, underpinning, rising damp repairs, termite eradication, rewiring and re-plumbing.

Be prepared for a change of lifestyle; once walls start coming down there'll be dust everywhere. Hang plastic sheets and cover furniture and appliances for protection. It is important to note that contaminants that can cause allergies may be used during the renovation.

You may need to arrange temporary use of other bathroom, toilet or kitchen facilities. Some homeowners move out for the duration of the renovation. If you decide to do this, remember to factor the cost of rent into your budget and liquidated damages (penalties stated in your contract that the builder is required to pay you if building goes beyond the contracted completion date).

## Do it yourself safety

Many people extending, renovating and completing small home improvement projects try to keep costs down by completing demolitions themselves, or by doing some of the painting or smaller jobs.

### Handling asbestos safely

Any home, shed or fence built before the 1990s may contain asbestos. Asbestos fibres pose a considerable health risk if disturbed by sanding, hammering, sawing and removal. Asbestos can be found in asbestos cement and corrugated sheeting and some roof tiles, floor tiles, plumbing and under floors or walls in bathrooms and kitchens.

Whether you are completing demolition, small do-it-yourself jobs, working as an owner builder or engaging a handyman, it is crucial to:

- identify asbestos material that you may disturb in the process
- handle asbestos safely
- dispose of asbestos safely.

Get a free copy of *Asbestos in the Home* from the Department of Health for detailed information about safe handling and disposal of asbestos (see page 15).

### Using ladders safely

You only have to fall one to two metres off a ladder to be seriously injured. Fractured limbs, spinal cord damage or even death can result. At least 83 Australians have died over the last five years after falling from a ladder. Thousands more have been seriously injured.

Protect yourself before using a ladder by checking that it has no rusty, broken or missing parts. It should also have non-slip safety feet and be the right height for the job.

Remember to always place the ladder on dry, firm and level ground. Ensure you engage all locks and fully open a step ladder. Keep the ladder clear of powerlines and exposed electrical wiring and place the foot of an extension ladder at a distance from the wall that is equal to a quarter of the length of the ladder.

When climbing the ladder wear well-fitting, enclosed shoes and always have someone holding the ladder at the base. As you climb, hold the ladder with both hands and carry tools in a tool belt. Only climb to the second rung from the top of a step ladder and the third rung from the top of an extension ladder. Secure the top of an extension ladder into position before you start climbing.

When working from a ladder always work only within arm's reach of the ladder and hold the ladder with one hand. Be careful when pulling items from shelves, gutters or roofs, as this may cause you to lose balance.

### CAUTION!

- Never lean a ladder on an unstable or slippery surface.
- Do not 'walk' the ladder to a new position while still on it.
- Do not push or pull against other objects when up the ladder.
- Do not use a ladder if you are affected by medication or you have a medical condition that can cause you to lose your balance.
- Never have more than one person on the ladder at a time.



## Small renovations and repairs

### Council permits

Before engaging a tradesperson to complete small renovations and repairs, contact your local council to find out whether any permits are required for the works you are considering. For instance, some councils require you to get a planning permit before painting the exterior of your home or replacing your roof or guttering. You may also need a building permit for some smaller works.

### Contracts

It is wise to request a written contract before any work commences for all projects under \$5000 so that you and the builder or tradesperson are clear about each other's obligations, the details of the work to be completed, the price and the timeline for completion.

Remember that you are required to complete a major domestic building contract for works over \$5000. See the section in this guide on contracts (page 34) for full details.

Avoid using itinerant traders who knock on your door or telephone you out of the blue.



### Choose tradespeople carefully

Check the reputation and qualifications of tradespeople before signing up with them. Ask to see examples of their work and to speak with recent clients.

Ask to see the tradesperson's certificate of currency for public liability insurance, which will protect you or third parties against any damage the tradesperson may cause.

Check the *Choosing a builder* section of this guide (page 30) for trades that are required to be registered or licensed. If using these tradespeople, ask for their licence or registration number.

Only engage tradespeople who can provide you with a physical address and landline telephone number, rather than those who will only provide a mobile phone number. Ensure you get their registered business name along with other contact details.

Avoid using itinerant traders who knock on your door or telephone you out of the blue with incredibly cheap deals on roofing, asphaltting, concreting or painting. They usually only offer the deal for a short period and seek a large deposit before disappearing without completing the job. Since itinerant traders do not have a fixed address or legitimate registered business name, they are very hard to trace if you want to get your money back or get a job completed.

# Becoming an owner builder

Owner builders use their own skills to complete building works on their home or to manage sub-contractors who carry out the work.

As an owner builder you are responsible for a range of tasks which may include insurance, occupational health and safety of workers on the site, arranging permits and inspections, and ensuring tradesmen have appropriate registration and insurance.

Owner builders may:

- undertake all or part of the building works themselves, except in areas that require licensed tradespeople, such as electricians and plumbers
- contract out all or part of the work to appropriate tradespeople
- engage a building consultant to check the quality of the work.

Advantages of being an owner builder include:

- increased control over the whole project, including the design
- saving the cost of the builder's margin
- more flexibility.

Many people choose to become an owner builder to reduce the cost of building. But in reality, completing a building project can be like running a small business. Skills in research, administration, organisation, finance and communication are just as important for the owner builder as building skills. Above all, you need plenty of time to prepare thoroughly, make well-informed choices of tradespeople and carefully supervise all stages of the project. Without meticulous planning, you may end up spending much more than you expected and find yourself lacking the experience to deal with complex situations.

## Obligations

- Owner builders completing works that cost over \$12,000 must obtain a Certificate of Consent from the BPB. Application forms for the Certificate of Consent are contained in the *Owner Builder Application Kit* provided by the Building Practitioners Board (BPB) on 1300 815 127.

## Rights

- As an owner builder, if you enter a contract with a tradesperson for any building work that is over \$5000 you are entitled to the protections of the *Domestic Building Contracts Act 1995*.
- If you enter a contract with a tradesperson (who is not carrying out exempt building work) for building work over \$12,000, that tradesperson should also have domestic building insurance.

## Tips

- Clearly plan and define the scope of works you want completed by tradespeople.
- Choose and appoint a building surveyor to issue your building permits, inspect for compliance with building regulations and issue relevant certificates on completion.
- Follow tips throughout this guide to ensure smooth management of finances, contracts and construction.





*Without meticulous planning, you may end up spending much more than you expected.*



# Buying off-the-plan

Purchasing a building before it has been constructed is commonly known as buying off-the-plan. The design of the building and sketches of its final appearance may be included in advertising material well before occupation is possible.

People are often attracted to off-the-plan sales by the reduced stamp duty they are required to pay. Be aware that you are still required to pay stamp duty when buying off-the plan. The amount payable depends on how advanced the construction of the building is and its current value: the closer the construction is to being completed, the higher the stamp duty.

Contact the State Revenue Office to find out about stamp duty on 13 21 61 or at [www.sro.vic.gov.au](http://www.sro.vic.gov.au).

If you have purchased an off-the-plan home and find that there are building defects, you are entitled to approach the builder about these defects, as they are covered by the implied warranties in the *Domestic Building Contracts Act 1995* that run with the land. In some circumstances, you may also have an entitlement to domestic building insurance.

If you find defects in your off-the-plan home, initially bring these defects to the attention of the developer, and seek to resolve the issue. If this fails to achieve a solution, you may contact the builder directly.

Other issues to consider when buying off-the-plan are the selling price, possible changes to the plans after works have commenced and the quality of finish in the final product.



*Be aware that you are still required to pay stamp duty when buying off-the-plan.*



# Your plans

Volume builders usually supply plans and specifications and obtain planning and building permits for you. But if you are using a smaller building company to build your new home or extension, you may need to get a design and suitable plans and specifications.

## Using an architect or designer/draftsperson

Architects and designers/draftspeople can offer a full service that may include designing and drafting and obtaining engineering computations, foundation data and planning and building permits. They can help you by developing a design that makes the most of your existing home or your block of land.

Registered architects must have the necessary qualifications and experience and must have passed examinations set by the Architects Registration Board of Victoria (ARBV).

Designers/draftspeople must have the necessary qualifications and experience and must have satisfied the requirements of the Building Practitioners Board (BPB).

It is important to note that architects or designers cannot prepare drawings or specifications for building construction works unless they:

- are registered with the ARBV in the case of architects; or the BPB in the case of designers/draftspeople, and
- have professional indemnity insurance, and
- in the case of architects, comply with professional conduct regulations.

You can contact the ARBV on (03) 9417 4444 or at [www.arbv.vic.gov.au](http://www.arbv.vic.gov.au) and the BPB on 1300 815 127 or at [www.buildingcommission.com.au](http://www.buildingcommission.com.au).

If you are choosing your own architect, designer or draftspeople, it is important to note that fees are subject to open market competition. There are no standard rates: fees may be based on a percentage of the cost of works, a lump sum, or an hourly rate.

The architect or designer/draftsperson should provide you with a written contract that outlines the level of services being provided and what you are getting for your money. This is to ensure both parties understand their rights and obligations.

Architects and designers retain copyright on drawings, plans and documentation provided under your contract. This means you can only use the plans once, and only on the site they were designed for, unless agreed otherwise. It is wise to have your contract checked by a building lawyer before signing.

Under your contract, your architect or designer/draftsperson may:

- liaise with the builder
- ensure contract specifications are met
- inform you of progress
- work with you to approve variations
- certify progress payments
- identify defects and administer their rectification
- decide if the work is complete according to your plans and specifications.

For more details, contact the ARBV for a copy



*Architects and designers retain copyright on drawings, plans and documentation.*



of their brochure, *Working with your Architect* or visit the Building Commission's website at [www.buildingcommission.com.au](http://www.buildingcommission.com.au) for other information to consider before embarking on your project.

## Ensure your plans suit your land, your budget and the law

It is important to ensure that your plans are complete and take into account the cost of excavation and relevant local council laws and building regulations, otherwise you could end up paying for plans you cannot use or will need to change.

Regardless of who draws up your plans, it is important that they have the following information before they start:

- foundation data, including soil tests so that they know the depth of foundations required and the cost of excavations
- whether the site has been surveyed by a licensed land surveyor. Any variations in the levels for sloping blocks may contribute to increased costs for excavation or extra bricks. You need to include these costs in your budget
- local council laws that require design consideration
- the features you want to include that comply with the current mandatory energy rating requirements set out in building regulations.
- You may need the assistance of a building consultant and building lawyer to check these aspects of your plans.

### Local planning laws

Planning permits relate to the zoning of your land according to its use.

Before starting to build or renovate you or your agent (builder/architect/designer/draftsperson) must find out from your local council whether you

need a planning permit. If so, you must obtain one before you can be issued with a building permit.

### Foundation data

By law, the builder must obtain foundation data relating to your building before entering the contract.

Volume builders selling house and land packages should do this for you. But you can obtain the foundation data yourself, either through your architect or designer, or by engaging a geotechnical engineer. You can then provide the foundation data, along with your plans and specifications, to builders you approach for a quote.

### Sustainability

Before your plans are drawn up, it is wise to consider including features that conserve energy and water and minimise waste, including current mandatory energy rating requirements. See the section *Building for our environment* on page 13 for full details.

## Update your plans before signing the contract

Once you have chosen your builder or building company, you may discuss some changes to your original plans. Make sure your plans and specifications are updated and include all details before you sign the contract. You may need to seek advice from a building consultant to check this. You or your builder may also need to go back to the council to have the changes approved.

This is the stage where you need to make absolutely sure that everything you want is in the plans and specifications. Doing this can save you money because continual variations add up and can increase the final contract price above your budget.



# Choosing your builder

## Registered builders

Domestic builders in Victoria must be registered for all contracts over \$5000, except for those tradespeople who do not require registration. The Building Practitioners Board (BPB) is an independent statutory body administered by the Building Commission. It is responsible for registering Victorian builders and building professionals and supervising and monitoring their conduct and ability to practice.

To be registered with the BPB, building practitioners must have the required qualifications, knowledge, and expertise and carry domestic building insurance.

Other building practitioners include building surveyors, building inspectors, quantity surveyors, engineers engaged in the building industry, draftspeople, commercial and domestic builders, demolishers, and persons who erect temporary structures.

All plumbers, gasfitters and drainers must be registered or licensed with the Plumbing Industry Commission and must carry an identification card.

Electricians are licensed by the Office of Electrical Safety.

Architects may be referred to as building practitioners if they are registered with the ARBV and carry appropriate insurance.

For further information contact:

- The Building Practitioners Board (BPB) 1300 815 127 [www.buildingcommission.com.au](http://www.buildingcommission.com.au)
- Architects Registration Board of Victoria (ARVB) 9417 4444 [www.arbv.vic.gov.au](http://www.arbv.vic.gov.au)
- Energy Safe Victoria (03) 9203 9700 [www.esv.vic.gov.au](http://www.esv.vic.gov.au)
- Plumbing Industry Commission 1300 815 127

## Tradespeople who do not require registration

It is advisable to have a written contract for these one-off contracts. Tradespeople do not need registration to complete one-off projects such as:

- attaching external fixtures (including awnings, security screens, insect screens and balustrades)
- electrical work
- glazing
- installing floor coverings
- insulating
- painting
- plastering
- plumbing work as defined in section 221C of the *Building Act 1993*
- tiling (wall and floor)
- erecting a chain wire fence to enclose a tennis court
- erecting a mast, pole, antenna, aerial or similar structure.



If any tradesperson uses a combination of trades, such as painting and tiling, to complete work that exceeds \$5000, then they will need to be registered.

## Getting quotes

It is very important to shop around. Some extension companies and specialist companies (for example kitchen and bathroom suppliers) do not provide you with detailed information and a price unless you sign a contract and pay a deposit for plans and specifications.

These contracts sometimes give copyright ownership of your plans to the builder. Signing this type of contract means you cannot use the plans elsewhere, despite paying for them.

Don't lock yourself in with a builder – either by signing over copyright to the plans or entering a major domestic contract – unless you have made an informed choice and everything you want is clearly stated in your contract. If you change your mind after any cooling-off period you may lose your deposit and your plans.

Whether you are building a new home or renovating, it is important to choose a registered builder you can communicate with easily, have confidence in and feel you can work with for the duration of the project. Remember, your builder is not your mate: your builder is providing a service that you are paying for.

After getting at least three quotes, compare:

- the written quotes you receive. Make sure you know exactly what the quotes cover – the cheapest may have exclusions or give a base rate that doesn't cover the cost of the actual materials and finishes you want
- reports from previous clients
- the builders' recent work.

You can pay an independent quantity surveyor to assess your plans and give you an estimate of the cost. This can help you when comparing quotes from builders. Decide which builder is most likely to:

- deliver value for money
- listen to your needs and wants
- give you clear and regular updates on the progress of the building
- be trustworthy as a business person and skilled builder.

A good working relationship between client and builder is fundamental to the success of a domestic building project. Make sure you are able to communicate clearly, verbally and in writing, with your potential builder. Ensure that you will be able to meet regularly. It is important to note that you do have legal rights to visit the site to check progress and quality.

## Tips for choosing your builder

Ask your family or friends if they can recommend a registered builder they have recently used.

Check the registration of builders you are considering with the BPB by calling 1300 815 127 or doing an online search at [www.buildingcommission.com.au](http://www.buildingcommission.com.au).

Ask to see the most recent work of builders you are considering. Ask their recent clients:

- Did the builder start and finish on time?
- Were they able to communicate regularly and clearly with the builder about any changes suggested by either party or about queries relating to quality?
- Did the price increase? Was the reason for and amount of the increase reasonable and agreed to?

- Did the builder place details and prices of changes suggested by either party in writing and get them signed off before making changes?
- Did the builder's sub-contractors arrive on time and do a good job?
- Did the builder request any changes to the size of stage payments in the contract or ask for payments before a stage was complete? (This can be a sign of cash flow problems.)
- Were the clients satisfied that the quality of the work matched the details placed in their contract?

Ask your architect (if using one) to recommend two or three builders who have done good work for previous clients.

Find out how long the builders you are considering have been in business and whether they have always traded under the same name. You can do this by contacting the Australian Securities & Investments Commission (ASIC) on 1300 300 630 or at [www.asic.gov.au](http://www.asic.gov.au).

Find out about a builder's reputation by checking:

- the Domestic Building List of the Victorian Civil and Administrative Tribunal (VCAT). This will show whether any builders you are considering have been a party to any recent domestic building dispute. Details are listed on the VCAT website at [www.vcat.vic.gov.au](http://www.vcat.vic.gov.au)
- for any enforceable undertakings and prosecutions against the builder by Consumer Affairs Victoria. These are listed at [www.consumer.vic.gov.au](http://www.consumer.vic.gov.au)
- for any breaches by the builder of domestic building laws and regulations and other consumer laws. These are listed in the Consumer Affairs Victoria Annual Report, also available online

- for any prosecutions or disciplinary action against the builder by the BPB. These are published in the Building Commission's *Insites* magazine which is available at [www.buildingcommission.com.au](http://www.buildingcommission.com.au).

If you have employed an architect, building designer or a draftsman, ensure that everything you want is clearly defined in your plans and specifications and conveyed to the builder.

If the builder is in charge of the design of the project, the scope of the works should be clearly defined in the written quotation showing, wherever possible, type, make and model number of items and accurately estimated quantities.

Analyse quotes thoroughly. The cheapest quote may not be the best choice. It could be that certain items have been missed out which are included in a more expensive but properly detailed quote.

If you have doubts about whether you can get along with a potential builder, keep looking. Your ongoing relationship will dictate the success or otherwise of the project.



*Get at least three quotes and analyse them thoroughly. The cheapest quote is not necessarily the best one.*



# Your contract

## Works requiring contract

A written major domestic building contract is required by law for most building works over \$5000, including:

- erection or construction of a home and associated landscaping, paving, retaining structures, driveways, fencing, provision of lighting, heating, air conditioning, water supply or sewerage
- renovations, alterations, extensions, repairs and any other improvements to a home
- work associated with the renovation, alteration, extension or repair of a home, such as landscaping, paving, retaining structures, driveways, fencing, garages, workshops, swimming pools or spas
- preparation of plans or specifications by the builder for the work
- demolition or removal of a home
- any work associated with the construction or erection of a building on land zoned for residential purposes and for which a building permit is required.

## Contract requirements

A major domestic building contract is a legally binding agreement you make with your builder to carry out, arrange or manage your project. The contract must have a price and should contain plans and specifications that detail everything you want. It should also contain a warning on how the price may vary.

The specifications should include details of materials, quantities, colours and appliances, including make, model number and manufacturer/supplier. If the term 'the builder's range' or similar is used in the contract, the contract specifications should accurately describe what that range is.

Remember, it is easier to control the contract price and stick to your budget by keeping prime cost items, provisional sum items and variations to a minimum. See the Finance section in this guide for details on how to control your contract price (page 6).

By law, the builder must give you a fully signed copy of the contract, including plans and specifications. You are also entitled to receive copies of any other documents relating to the building project, such as foundation data or building permits.

## Essential contents

It is wise to pay a building lawyer (not one acting for the builder) to check the contract and give you advice on any areas that you need to change. Using a building lawyer can protect you in the long run, even though seeking such advice means that you no longer have a cooling-off period.

Your contract must include these items:

- full details of the terms of the contract written in English
- a detailed description of the work, including plans and specifications that contain enough information to obtain a building permit
- names and addresses of the parties to the contract
- the builder's registration number with the Building Practitioners Board (BPB)
- the date when work is to start or how that date is to be determined
- a statement that the builder will do everything that is reasonably possible to start work as soon as possible if the start date is not known
- a finish date or the number of days required to finish the work if the start date is not known.
- the contract price and legally acceptable deposit and payment schedule, including warnings in relation to progress payment methods
- the date of the contract
- details of domestic building insurance cover
- a notice of your right to a five day cooling-off period
- a section including definitions of words used in the contract
- the checklist required by law. This can be seen at [www.consumer.vic.gov.au](http://www.consumer.vic.gov.au)
- the implied warranties in the contract.

## Illegal contract items

Make sure the contract does not include any of these items:

- a compulsory arbitration clause
- a caveat (a warning of some right or interest on the land title) on the building site land
- a waiver or negation of implied statutory warranties, such as those applying to fair and reasonable standard of work, unreasonable time delays and price increases
- a cost escalation or 'rise and fall' clause, unless the contract price exceeds \$500,000. The onus is on the builder to calculate into the contract price any likely rise in costs caused by inflation, wage increases, and the like. If the builder wants to include a cost escalation clause, the Director of Consumer Affairs Victoria must approve it. To date, the Director of Consumer Affairs Victoria has not approved any cost escalation clauses
- the expression 'practical completion' is now obsolete. If you find it in your contract, delete it and insert 'complete in accordance with the plans and specifications'.

## Domestic building insurance

After you've signed the contract, your builder must take out domestic building insurance for work on your home.

Make sure you receive a Certificate of Currency for the domestic building insurance that applies to works at your property. Contact the insurer to check that the policy number is correct and applies to your home. Do not pay your deposit until you have sighted the Certificate of Currency.

Remember, you can only make a domestic building insurance claim if your builder has died, is insolvent or has disappeared.

You can only make a domestic building insurance claim if your builder has died, is insolvent or has disappeared.



## Tips

Before signing your contract, check that you can answer 'yes' to these questions. You may need the assistance of a building lawyer and building consultant to be sure.

- Have you obtained approved finance for the building works?
- Is the builder registered with the BPB?
- Has the builder verified to you that tests to assess the site for suitability for the proposed works have been carried out?
- Have you or the builder/architect/designer/draftsperson on your behalf, obtained required building permits and/or planning permits from a private building surveyor and/or the local council?
- Is the work shown and clearly described in the contract, plans or specifications and any other relevant documents such as engineering computations or soil report?
- Have you included all special requirements and finishes in your plans and specifications?
- If your home is based on a display model, do the plans and specifications include customised items and all requested variations in design, materials, finishes and costs clearly described and illustrated in your contract? (See Choosing a display home on page 17 for further details.)
- Are provisional sum or prime cost items clearly stated in schedules?
- Have you checked that there is a Certificate of Currency for the domestic building insurance that applies to work on your property?
- Do you understand that you should not pay a deposit until you have seen the Certificate of Currency for the domestic building insurance?
- Is the deposit within the legal limit?
  - a maximum of 10 per cent if the price is less than \$20,000, or
  - a maximum of 5 per cent if the price is \$20,000 or more.
- Are the price and progress payments in accordance with the law and clearly stated?
- If you have to sign a separate warning in relation to progress payment methods, have you received advice from a building lawyer on this?
- Do you understand the procedure for variations of plans and specifications?
- Are the start and finish dates clearly stated?
- Is the procedure for delays and extensions of time clearly stated?
- Are penalty payments for exceeding the time for construction (liquidated damages) clearly stated and sufficient to cover your costs, such as rent?
- Is the clause containing the five day cooling-off period included?
- Do you understand the circumstances in which the builder or owner can end the contract?
- Have you had the contract for long enough to read it thoroughly and have it checked by independent experts?



*You may need the assistance of a building lawyer and building consultant.*



# Your building surveyor

## Building permits

A building permit is written approval from a registered building surveyor that shows your approved plans and specifications comply with building regulations, and allows building works to commence.

You can find out whether your works require a building permit by asking a registered building surveyor or checking with the Building Commission on 1300 815 127 or at [www.buildingcommission.com.au](http://www.buildingcommission.com.au).

A building permit can be obtained from a registered private or council building surveyor.

## Choose your own building surveyor

Although you or an agent you appoint to act on your behalf (including your builder) can choose a building surveyor, it is preferable to choose your own. This way you can be confident that your building surveyor will perform independent inspections and feel free to instruct your builder to make any changes needed to comply with building regulations.

Note that your building surveyor does not check the quality of workmanship. You can engage an independent building consultant to do this, if required.

Building surveyors are listed in the Yellow Pages or can be contacted through the Australian Institute of Building Surveyors on (03) 9415 7600 or through the Building Commission at [www.buildingcommission.com.au](http://www.buildingcommission.com.au) under *Finding a RBP*.

## Applying for a permit

If your builder is acting on your behalf to get a building permit, you must provide written authority in your contract or a separately signed document. Be sure to read the permit application and only sign if you agree.

It is important to note that if you appoint your builder to obtain a building permit on your behalf, you may not have any involvement in choosing your building surveyor or the details of the application documents. In this case you should receive a copy of the permit once it has been issued.

**Do not sign the building permit as an owner builder**, unless you intend to take full responsibility for the project and have been granted an owner builder's Certificate of Consent by the Building Practitioners Board.

When applying for your building permit, you or any person acting on your behalf may need to provide a range of documents such as the application form, title details, land survey and plans. Consult your building surveyor for a detailed list.

Your building surveyor will request a fee, assess your application and grant you the permit or request changes to ensure the plans and specifications comply with building regulations.

Your building surveyor carries out inspections to check that building regulations have been met. During construction of a new home or extension, inspections will occur at base (foundation), frame and completion stages, and other inspections as specified in the building permit. Remember, your building surveyor does not ensure that the works comply with your contract.





*Your building surveyor does not ensure that the works comply with your contract.*



# Construction

## Carefully check the progress of your project

Check the progress of your building project and communicate regularly with your builder. Remember you can only get the materials, size, style and quality of items and works specified in your contract.

Ask your building surveyor about and obtain written verification on the outcome of each inspection so you can be confident that the works inspected comply with building regulations.

You can also engage an independent building consultant or architect to administer the entire project for you and/or to make independent checks before you make stage payments. This will help you feel confident that the work has been completed according to your contract plans and specifications and implied warranties.

Make sure that you:

- provide the builder with items you agreed to supply on time
- put the details and costs of variations you and the builder agree to in writing and both sign off on them before the builder makes the changes. (See *Controlling the price of your contract* in the Finance section on page 6 for more details on variations)
- make stage payments when requested and when the work for each stage is complete. **Do not make payments in advance.** If your builder has died, has become insolvent or has disappeared, the domestic building insurance company may argue that they do not need to compensate you for advanced payments for work that has not been carried out.



*Do not make contract payments in advance.*



# Managing a dispute

## Act immediately if things go wrong

If you feel that works are incomplete, different from what's in the contract, different from what you believe you were offered under the contract, or defective you should:

- immediately discuss this issue with your builder in a calm and business-like way. Show the builder what you believe the problem to be
- send a letter to the builder confirming the details of your conversation and agreed actions
- if necessary, engage an independent building consultant to inspect the work so that you can get another opinion and be sure you have a reasonable case
- keep a diary of conversations you have had with the builder and take photographs
- if you cannot get a satisfactory response by discussing the problem, place your complaint in writing and state clearly what you want done to rectify the problem and when you require the response. Send this to the builder by registered mail. Keep copies of all documents.

## Dispute resolution services

If you and your builder are unable to reach agreement on how to resolve a dispute, you should first seek free government assistance through Consumer Affairs Victoria.

### Consumer Affairs Victoria

1300 55 75 59  
[www.consumer.vic.gov.au](http://www.consumer.vic.gov.au)

Because every building situation is different, the type of service Consumer Affairs Victoria offers will depend on your needs, the date of your contract and whether your domestic building insurance was issued before or after 1 July 2002.

Services include free advice and voluntary conciliation between you and your builder.

Technical inspections may also be available to check work when there is evidence of possible defects. Inspections may be sought by Consumer Affairs Victoria during the conciliation process and carried out by a Building Commission inspector.

If there is evidence that builders have broken the law, Consumer Affairs Victoria can take action against them, including seeking redress for affected consumers.

Our conciliators may suggest homeowners take disputes to Victorian Civil and Administrative Tribunal (VCAT) when it is clear that agreement cannot be reached through voluntary conciliation.

### Victorian Civil and Administrative Tribunal (VCAT)

#### Domestic Building List

(03) 9628 9999  
[www.vcat.vic.gov.au](http://www.vcat.vic.gov.au)

The Domestic Building List of VCAT (an independent appeal body) will generally require mediation to resolve issues relating to major domestic building contracts before hearing a dispute.

#### Civil Claims List

(03) 9628 9830 or 1800 133 055  
[www.vcat.vic.gov.au](http://www.vcat.vic.gov.au)

VCAT also hears domestic building claims under \$10,000 through their Civil Claims list.

# Completion

## Check everything before you pay

The works are complete when:

- your building surveyor has issued the Certificate of Final Inspection and/or Occupancy Permit, and
- your builder has completed all works according to your contract plans, specifications and implied warranties.

Do not make your final payment until you have thoroughly checked that all contract requirements have been met.

For peace of mind, you can pay an independent building consultant to check for defects or unfinished work.

Make a list of any work that you believe is faulty or incomplete. Speak with your builder immediately about your concerns. Place your request and any agreements made with the builder to finish work in writing and send it by registered post. If there are areas of work that are in dispute, contact Consumer Affairs Victoria for help.

## Keep all your certificates

The law gives you the right to copies of all documents related to the building project. On completion, make sure the builder or building surveyor gives you:

- a Certificate of Final Inspection (for extension/renovations), or
- a Occupancy Permit (for new homes).

Keep these certificates along with other receipts and documents relating to the project.

## Get adequate home insurance

Whether you have built a new home or renovated an existing one, it is wise to know exactly what your home is worth. Make sure your building and contents insurance covers the true cost of replacement.

# Fences

## The *Fences Act 1968* (Victoria)

The *Fences Act 1968* (Victoria) regulates the building of fences in Victoria.

For more details, you can:

- purchase a copy of the Law Handbook from Fitzroy Legal Service on (03) 9411 1307 or view online at [www.lawhandbook.org.au](http://www.lawhandbook.org.au).
- refer to Victorian Consolidated Acts at [www.austlii.edu.au](http://www.austlii.edu.au).
- refer to the Victorian Law Reform Committee's quick guide on the *Fences Act 1968*, which can be found via [www.parliament.vic.gov.au/lawreform](http://www.parliament.vic.gov.au/lawreform).

## Local planning scheme

Check with your local council to find out whether you need a planning permit.

## The Building Act and Building Regulations 2006

Check with your local council or the Building Commission to find out whether you need a building permit.

## The *Property Law Act 1958*

This can affect the position of a fence when there are discrepancies between the survey and title description, or if you or your neighbour have rights of possession after occupying part of the other person's land continuously for more than 15 years.

## Avoiding disputes

When you think about all the decisions that need to be made when building fences, it's easy to see why they cause so many disputes between neighbours. You need to determine the location, type and height; who pays; who does the work and who maintains it.

To avoid disputes, it is always best to talk with your neighbours about these issues from the outset.

Usually neighbours pay for a fence in equal amounts. If one neighbour wants a bigger, more expensive fence, then it is up to the parties to reach an agreement as to how they will split the costs.

## Settling disputes

The Dispute Settlement Centre of Victoria offers a dispute resolution advisory and mediation service that can help you to settle disputes about a range of matters, including fences. Call 1800 65 85 28 or visit [www.disputes.vic.gov.au](http://www.disputes.vic.gov.au).

If you cannot agree, provide your neighbour with a written notice that sets out where you want the fence, how you want it built and the type you want. Refer to the *Fences Act 1968* for the appropriate notice. It is preferable, but not necessary, to attach a quotation.

After one month, if you have not heard from your neighbour, or you have not reached agreement, you can apply to the Magistrates' Court to resolve the issue.

The Court can consider the type of fence that is usually built in the area, materials commonly used and the usual height and colours. With regard to cost, a common solution is for the Court to direct the neighbour who did not want the more expensive fence to pay half the cost of a normal fence and the person who wanted the expensive alternative to pay the difference.



*Talk with your neighbours  
about fencing issues  
from the outset.*



# Keeping your home safe

Many accidents occur in the home due to the purchase of unsafe products or the unsafe use of products. Always check the safety of the appliances you buy and always follow instructions for safe use of ladders, tools, furniture and appliances.

## Curtain and blind cords

Children can be strangled or choked by unnecessary loops in curtain and blind cords. When ordering new curtains and blinds, ensure that they have child-safety features. You can also avoid hazards by moving cots, beds and furniture away from cords and by wrapping cords around a cleat 1600 mm or more from the floor.

A tie-down tension device secured to the wall near the floor so that the chord is pulled tight is also a useful measure. Where possible, cut the cord in half to get rid of the loop then attach a tassel to the end and tie a knot.

## Smoke alarms

The current law states that you must install a smoke alarm on or near the ceiling of every storey of your home in locations that will alert sleeping occupants of smoke or fire. Regularly check that smoke alarms are working. You should replace batteries once a year or earlier if the alarm makes an intermittent beeping noise.

## Swimming pools and spas

Any spa or pool capable of containing more than 300 mm must have child resistant safety barriers that are in very good working order. Remove all other possible access for climbing across these barriers. Refer to the Building Commission for details and penalties.

## Basketball rings

Basketball rings and backboards must be installed and maintained according to simple guidelines (refer to the Building Commission for details). You must regularly check the safety of basketball backboards, posts and rings, especially those exposed to weather. Do not swing on rings or posts. Dismantle existing rings that are only mounted on a single skin of brickwork, for instance above a garage door, as these can be dangerous.

## Termite management

All new homes built within termite-infested areas require a termite management system. But termites are known to also infest areas that are not designated termite areas. As a result, to avoid major damage by termites to your new or renovated home, it is wise to consult a qualified expert to inspect your premises, advise on, and install an appropriate long-term management system that may involve chemical and physical barriers.

Brochures on home safety and maintenance are available from Consumer Affairs Victoria and the Building Commission. The Building Commission, Metropolitan Fire Brigade and Country Fire Authority have information on smoke alarms and fire safety.





*Always check the safety of the appliances you buy and always follow instructions for safe use.*



# Building definitions

Understanding the language of domestic building can help you to avoid problems

**Architect** – A qualified person who is registered with the Architects Registration Board of Victoria (ARBV) to provide building design and contract administration services.

**Building Act 1993** – This Act is administered by the Building Commission and provides for the regulation of building and construction standards.

**Building consultant** – An expert experienced in designing and/or constructing buildings. Building consultants who conduct pre-purchase inspections or give a report on a property should have professional indemnity insurance to cover serious defects that the report may overlook. Building consultants are architects, commercial builders, domestic builders, draftspeople, inspectors, building surveyors or engineers. They may be required to be registered, depending on the scope and price of work to be undertaken in managing your project or making checks before stage payments.

**Building contract** – A legal document under the *Domestic Building Contracts Act 1995* that forms an agreement between the builder and consumer about home building or renovating. A contract written in English that usually includes plans and specifications is required for most domestic building work over \$5000 and should be signed by both parties.

**Building inspector** – A person registered with the Building Practitioners Board as a building inspector. This person may operate as a private or council building inspector and is qualified to inspect buildings to ensure compliance with the *Building Act 1993* and the current building regulations.

**Building permit** – Written approval from a registered building surveyor that shows your plans fit in with building regulations. This permit is required before you can commence works. Public building surveyors may be contacted at your local council, or private ones through telephone directories or through professional associations listed in this guide.

**Building practitioners** – Building practitioners include building surveyors, building inspectors, draftspeople, engineers engaged in the building industry, commercial and domestic builders, demolishers, people who erect temporary structures and quantity surveyors. Architects may be referred to as building practitioners if they are registered with the Architects Registration Board of Victoria and carry appropriate insurance.

**Building Practitioners Board** – The Building Practitioners Board (BPB) is an independent statutory body established under the *Building Act 1993*. It is responsible for registering Victorian builders and building professionals, and supervising and monitoring their conduct and ability to practice. Architects, plumbers and electricians are not registered by the BPB.



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FOR N & T PAT

**Building regulations** – Building regulations outline the standards for buildings in Victoria. The regulations are created under the *Building Act 1993* and administered by the Building Commission.

**Building lawyer** – A person with qualifications in law who specialises in matters related to building.

**Building surveyor** – A person registered with the Building Practitioners Board as a building surveyor. Qualified to issue a building permit, inspect for compliance with the *Building Act 1993* and building regulations and issue Occupancy Permits or Certificates of Final Inspection, which mainly relate to health, safety and amenity requirements. Building surveyors do not supervise work or compliance with the contract.

**Certificate of final inspection** – Issued by the building surveyor after final inspection of a renovation. It shows building work approved by the permit is completed. This is essential for future sale of the home. There may still be associated works in the contract, such as paving and landscaping that are incomplete. You are not required to make your final payment until all work under the plans and specifications is complete, despite receiving the certificate of final inspection.

**Completion** – The point at which works to be carried out under the contract have been completed in accordance with the plans and specifications, and the building owner has received a occupancy permit or certificate of final inspection.

**Completion date** – The date when building works are completed, according to the contract.

**Conveyancer** – A person who can assist a building owner to transfer legal interest in a property to a purchaser. May not have qualifications in law and should not be confused with a building lawyer.

**Cooling-off period** – A period of five business days after the consumer receives a signed copy of the building contract, during which they can change their mind. The cooling-off period starts from the date the consumer received the signed copy, regardless of when the contract was signed. If the contract did not include the cooling-off period notices required by law, the consumer has seven days after realising the contract should have included the cooling-off notice, to change their mind. The consumer does not get a cooling-off period if they:

- previously entered into a major domestic building contract with the builder on the same terms for the same home or land. The contract can differ slightly but not significantly
- engaged a lawyer to check the contract before signing.

**Defects** – Work that is in breach of the contract by failing to maintain a specified standard or quality, or is a breach of any implied warranty.

**Defects liability clause** – A clause in a domestic building contract that gives the builder three, six or nine months to fix defects arising out of contracted works. The defect liability period should not be used to fix defects that are known at the time of completion – these should be fixed so that completion has been reached before the final payment is made.

**Domestic Building Contracts Act 1995** – Sets out minimum terms and conditions for domestic building contracts and implied statutory warranties for all contracts. It sets out specific requirements for major domestic building contracts (over \$5000) provides frameworks for paying deposits and stage payments, and for resolving domestic building disputes. This Act is administered by Consumer Affairs Victoria.



**Domestic building insurance (previously known as builders warranty insurance)** – Building insurance taken out by the domestic builder for works over \$12,000 (except for tradespeople who do not require registration where works cover only one trade). Domestic building insurance only covers you if your builder has died, is insolvent or has disappeared. In these cases it covers structural defects for six years and non-structural defects for two years. The builder must be eligible for domestic building insurance to be registered. Your builder should provide you with a Certificate of Currency for an insurance policy that applies to work on your home.

**Draftsperson/designer** – A person registered with the Building Practitioners Board to provide drafting and associated services.

**Engineer** – A person registered with the Building Practitioners Board as an engineer who is qualified to undertake the design, documentation, supervision, inspection and certification of buildings.

**Fair Trading Act 1999** – An Act administered by Consumer Affairs Victoria that protects consumers against illegal behaviour by traders, such as goods or services not fit for purpose, or misrepresentation of goods and services.

**Fittings** – Items, for example, garden ornaments, lighting or air conditioners that can be removed without damaging the property (see *Prime cost item*).

**Fixtures** – Items such as basins, toilets, baths, built-in wardrobes and kitchen stoves that are attached to the property and cannot be removed without causing damage.

**Foundation data** – This is a report on the results of soil tests done on your building site before the building commences. This information recommends the depths of the stumps or type of slab or strip footing needed. The contents of the report will affect your design and the cost of construction.

**Liquidated damages** – Damages paid by the builder for expenses incurred by the owner if the home is not completed within the time stated in the contract. Examples include rent, travel and other out-of-pocket expenses.

**Occupancy permit** – Permit issued by the building surveyor after final inspection of a new home showing that the dwelling is safe and suitable for occupation. This is essential for future sale of the home. An occupancy permit does not necessarily mean that all building work is complete. There may still be associated works in the contract, such as paving and landscaping that are incomplete. You are not required to make your final payment until all work is complete, despite being given an occupancy permit.

**Owner builder** – Someone who carries out building on his/her own property. Owner builders are not in the business of building. An owner builder must obtain a *Certificate of Consent* from the Building Practitioners Board in order to obtain a building permit to carry out domestic building work valued over \$12,000.

**Plans** – Drawings of the design of a home or renovation completed by a designer/draftsperson, architect or builder. These should be signed by the builder and consumer and be part of the domestic building contract.

**Planning permit** – A permit obtained from the local council that relates to the zoning and use and development of land, for example residential or commercial. This is not always required but, if so, must be obtained before you can be given a building permit.

**Prime cost item** – A fitting that is part of the contract but the actual item has either not been selected or the price is not known at the time the contract is entered into. The builder needs to make a reasonable allowance for the supply and delivery of these items in the price included in the contract.

**Professional indemnity insurance** – Insurance carried by a member of a profession or industry body such as a prescribed building practitioner or building lawyer. It is designed to protect the consumer from loss owing to acts or omissions by the professional acting on his or her behalf.

**Progress payments** – These can also be called stage payments and are required on completion of each stage of building, according to the *Domestic Building Contracts Act 1995*. If, in unusual circumstances, an alternative payment process is agreed to, progress payments are required as stated in the contract.

**Provisional sum** – A reasonable estimate of the cost of certain work if the builder, after making reasonable enquiries, cannot give a definite price when the contract is signed (for example, supply and installation of air conditioning).

**Registered builder** – A builder who is registered with the Building Practitioners Board to complete limited or unlimited work. Membership of the Housing Industry Association or Master Builders Association of Victoria is not the same as registration.

**Scope of works** – Plans and specifications showing what and how an owner wants to build. This should be included when getting quotes and be part of the contract. These should be sufficient for obtaining a building permit.

**Soil tests** – These can also be called a geotechnical report and are tests carried out on the building site to find out the type of soil and the depth necessary for solid, stable footings. The type of soil and foundation depth needed will affect the design and cost of building your home (see also Foundation data).

**Specialist building lawyer** – A qualified lawyer who has experience in matters to do with building.

**Specifications** – Detailed lists of specific building materials (usually described as an Australian Standard), appliances and fittings to be used in a building or renovation.

## Stages of building

Base stage:

- (a) Home with a timber floor – when the concrete footings for the floor are poured and the base brickwork is built to floor level.
- (b) Home with a timber floor with no base brickwork – when the stumps, piers or columns are completed.
- (c) Home with a suspended concrete slab floor – when the concrete footings are poured.
- (d) Home with a concrete floor – when the floor is completed.
- (e) Home for which the exterior walls and roof are constructed before the floor is constructed – when the concrete footings are poured.

Frame stage: when a home's frame is completed and approved by a building surveyor.

Lock-up stage: when a home's external wall cladding and roof covering is fixed, the flooring is laid and external doors and external windows are fixed (even if those doors or windows are only temporary).

Fixing stage: when all internal cladding, architraves, skirting, doors, built-in shelves, baths, basins, troughs, sinks, cabinets and cupboards are fitted and fixed in position.

**Variations** – Changes agreed to by the owner and builder that are made to the building plans and specifications within the contract after the contract has been signed.

**Victorian Civil and Administrative Tribunal (VCAT)** – An independent appeal body that may require mediation and tribunal hearings to resolve disputes between consumers and building practitioners/tradespeople.

**Volume builders** – Companies that build large numbers of houses based on display home models.

**Zones** – Permissible uses of land and requirements for planning permits are set out in zones of the relevant planning scheme. Contact your local council for information about zones in your area.

# Useful contacts

Organisation	Contact
<b>Pre-building</b>	
Archicentre – design, inspections and advice	1300 13 45 13 <a href="http://www.archicentre.com.au">www.archicentre.com.au</a>
Architects Registration Board of Victoria	(03) 9417 4444 <a href="http://www.arbv.vic.gov.au">www.arbv.vic.gov.au</a>
Australian Owner Builders Pty Ltd	1300 856 095 <a href="http://www.ownerbuild.com.au">www.ownerbuild.com.au</a>
Australian Securities and Investments Commission - credit, home loans	1300 300 630 <a href="http://www.fido.gov.au">www.fido.gov.au</a>
Building Commission	1300 815 127 <a href="http://www.buildingcommission.com.au">www.buildingcommission.com.au</a>
Building idea centres	See Yellow Pages
Display home centres	See Yellow Pages
Energy Safe Victoria – electricians	(03) 9203 9700 <a href="http://www.esv.vic.gov.au">www.esv.vic.gov.au</a>
Home Renovation Scheme – (for people with disabilities or on the age pension)	1800 13 33 24 or 1800 13 48 72
Land Victoria Department of Sustainability and Environment (DSE)	(03) 8636 2010 <a href="http://www.land.vic.gov.au">www.land.vic.gov.au</a>
Plumbing Industry Commission (PIC) – plumbers	1300 815 127 <a href="http://www.pic.vic.gov.au">www.pic.vic.gov.au</a>
Cordell Information - construction data	1800 80 60 60 <a href="http://www.cordell.com.au">www.cordell.com.au</a>
State Revenue Office – stamp duty on purchasing new homes and land	13 2161 <a href="http://www.sro.vic.gov.au">www.sro.vic.gov.au</a> <a href="mailto:sro@sro.vic.gov.au">sro@sro.vic.gov.au</a>
VicUrban – affordable land	131 852 <a href="http://www.vicurban.com">www.vicurban.com</a>



Building for the environment	
Australian Conservation Foundation	(03) 9345 1111 or 1800 332 510 (free call) www.acfonline.org.au
Alternative Technology Association	(03) 9639 1500 www.ata.org.au
Building Commission - Make Your Home Green	www.makeyourhomegreen.vic.gov.au
EPA Victoria	(03) 9695 2722 www.epa.vic.gov.au
Our Water Our Future	136 186 www.ourwater.vic.gov.au
Plumbing Industry Commission (PIC)	1300 815 127 www.pic.vic.gov.au
Sustainability Victoria	(03) 8626 8700 www.sustainability.vic.gov.au
Commonwealth, State, and Territory government agencies' online guide to choosing energy efficient appliances	www.energyrating.gov.au
Professional associations	
Australian Institute of Building Surveyors (AIBS)	(03) 9415 7600 www.aibs.com.au
Australian Institute of Quantity Surveyors	(02) 6282 2222 www.aiqs.com.au
Australian Property Institute - property valuers	(02) 6282 2411 www.api.org.au
Building Designers Association of Victoria (BDAV)	(03) 9416 0227 www.bdav.org.au
Cabinet Makers Association	1300 767 738 www.cmavic.com.au
Engineers Australia	(03) 9329 8188 www.engineersaustralia.org.au
Housing Industry Association (HIA)	(03) 9280 8200 http://hia.com.au
Law Institute of Victoria	(03) 9607 9311 www.liv.asn.au
Master Builders Association of Victoria (MBAV)	(03) 9411 4555 www.mbav.com.au
Municipal Association of Victoria (MAV)	(03) 9667 5555 www.mav.asn.au
Real Estate Institute of Victoria Ltd (REIV)	(03) 9205 6666 www.reiv.com.au
Royal Australian Institute of Architects (RAIA)	(03) 8620 3866 www.architecture.com.au
Victorian Municipal Building Surveyors Group	(03) 9580 4153 www.vmbmsg.com.au
Choosing a builder	
Australian Competition and Consumer Commission (ACCC)	1300 30 25 02 www.accc.gov.au
Australian Securities and Investment Commission (ASIC)	1300 300 630 www.asic.gov.au
Building Practitioners Board (BPB) – builders' registration and enquiries	1300 815 127 www.buildingcommission.com.au
Consumer Affairs Victoria – enforceable undertakings, prosecutions	www.consumer.vic.gov.au
VCAT Domestic Building List	www.vcat.vic.gov.au

Independent experts	
Building lawyers	See Law Institute Legal Referral Service
Building consultants and inspection services	See Yellow Pages under <i>Building consultants</i> and <i>Building inspections services</i> and professional associations
Law Institute Legal Referral Service	(03) 9607 9550 <a href="mailto:referrals@liv.asn.au">referrals@liv.asn.au</a>
Help with disputes	
Consumer Affairs Victoria	1300 55 75 59 <a href="http://www.consumer.vic.gov.au">www.consumer.vic.gov.au</a>
Building Appeals Board	(03) 9285 6400 <a href="http://www.buildingcommission.com.au">www.buildingcommission.com.au</a>
Law Institute Legal Referral Service	(03) 9607 9550 <a href="mailto:referrals@liv.asn.au">referrals@liv.asn.au</a>
Dispute Settlement Centre of Victoria, Department of Justice – fence disputes	1800 65 85 28 <a href="http://www.disputes.vic.gov.au">www.disputes.vic.gov.au</a>
Energy Safe Victoria – electricians	(03) 9203 9700 <a href="http://www.esv.vic.gov.au">www.esv.vic.gov.au</a>
Victorian Managed Insurance Authority - domestic building insurance	(03) 9270 6900 <a href="http://www.vmia.vic.gov.au">www.vmia.vic.gov.au</a>
Plumbing Industry Commission (PIC) - plumbers	1300 815 127 <a href="http://www.pic.vic.gov.au">www.pic.vic.gov.au</a>
VCAT Domestic Building List	(03) 9628 9999 <a href="http://www.vcat.vic.gov.au">www.vcat.vic.gov.au</a>
VCAT Civil Complaints List	(03) 9628 9830 or 1800 133 055 (within Victoria) <a href="http://www.vcat.vic.gov.au">www.vcat.vic.gov.au</a>
Home safety	
Building Commission	1300 815 127 <a href="http://www.buildingcommission.com.au">www.buildingcommission.com.au</a>
Consumer Affairs Victoria – Product safety	1300 55 81 81 <a href="http://www.consumer.vic.gov.au">www.consumer.vic.gov.au</a>
Department of Health	<a href="http://www.health.vic.gov.au">www.health.vic.gov.au</a>
<i>Asbestos in the home</i>	1300 761 874
<i>Safe Smart Homes</i> and other information about injury prevention in the home	<a href="http://www.health.vic.gov.au/environment">www.health.vic.gov.au/environment</a> <a href="http://www.health.vic.gov.au/injury">www.health.vic.gov.au/injury</a>
Country Fire Authority (CFA)	(03) 9262 8444 <a href="http://www.cfa.vic.gov.au">www.cfa.vic.gov.au</a>
Metropolitan Fire Brigade (MFB)	(03) 9662 2311 <a href="http://www.mfb.vic.gov.au">www.mfb.vic.gov.au</a>

**Additional copies**

This guide is available from Consumer Affairs Victoria,  
[www.consumer.vic.gov.au](http://www.consumer.vic.gov.au) or 1300 55 81 81.

To order more than five copies fax a request to  
(03) 8684 6333 or write to: Consumer Affairs Victoria  
GPO Box 123 Melbourne Victoria 3001.

## Consumer Affairs Victoria

Victorian Consumer & Business Centre  
113 Exhibition Street  
Melbourne 3000



1300 55 81 81 (local call charge)



[consumer@justice.vic.gov.au](mailto:consumer@justice.vic.gov.au)



[consumer.vic.gov.au](http://consumer.vic.gov.au)

Services from Consumer Affairs Victoria are available at Justice Service Centres in Ballarat, Bendigo, Berwick, Box Hill, Broadmeadows, Geelong, Mildura, Morwell, Wangaratta and Warrnambool. Our mobile service regularly visits rural communities. Call 1300 55 81 81 or visit [consumer.vic.gov.au](http://consumer.vic.gov.au) for more information.

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TIS Telephone Interpreting Service 131 450

TTY Textphone or modem users only, ring the NRS on 133 677, then quote 1300 55 81 81

Callers who use Speech to Speech Relay dial 1300 555 727, then quote 1300 55 81 81

