

PLAIN ENGLISH MINOR WORKS CONTRACT - MARCH 2016

For use in minor simple works, renovations, or repairs and or maintenance work. The time to do the work and how many payment claims should be considered when deciding to use this contract. Residential Building Work where the contract price is more than $20,000.00 at time of contracting will require Home Building Compensation Fund insurance.

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| --- |
| OWNER |
| Name: |
| Address: |
|  |
| Fax Number: |
| Email: |
| Mobile: |
| Phone: | (H): | (B): |

|  |
| --- |
| CONTRACTOR (\*must be the name of the licence holder as shown on the licence) |
| Name: |
| Address: |
|  |
| Fax Number: |
| Licence No: |
| (Current to: / / 20 ) |
| Email: |
| Mobile |
| Phone: | (H): | (B): |
| Contract Price: $ |

# All alterations to this contract must be initialled by the parties to verify the alteration.

↑ This is the address, email or fax number to which notices are to be sent.

\*A deposit cannot exceed 10%

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| 1. WORK DETAILS
 |
| Address of work site: |
|  |
|  |
| What work is to be carried out |
|  |
|  |
| What materials are to be supplied by Owner? |
|  |
|  |

Answer the following questions to detail what is to be done by the **Contractor**, when and how it is to

be paid for.

Are there any quotes, plans and/or specifications which details the work the Contractor will complete?

**If NO:** ensure the work is sufficiently described above.

**If YES:** they need to be attached to this document and signed by both parties: Tick to confirm

Documents attached and signed by:

 Owner Contractor

The work will be done in accordance with these details.

**Has any relevant approval been obtained?**

(Circle appropriate answer)

YES / NO / REQUIRED

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| 1. TIME TO DO THE WORK
 |
| Based upon the work to be done by the **Contractor**, as detailed above, how long will it take to complete? |
| : Days/weeks from commencement. |
| The work will commence on:1. …………. /…………. / 20………..:

Or within1. 14 days of **Contractor** receiving **complete approval terms:** or
2. 14 days of the **Owner** providing **written evidence of ability to pay**  the contract price: or
3. 14 days after the Contractor gets, if applicable, Home Warranty Insurance Cover.

This is the later date of those applicable. |

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| 1. STAGED PAYMENTS TO BE MADE BY OWNER
 |
| *Amounts incl. GST @ 10%* |
| **Category** | **Amount** | **Description of Work** |
| Deposit\* | $ …………………………. | Prior to work starting |
| Payment 1 | $ …………………………. | ……………………………………………………………………… |
| Payment 2 | $ …………………………. | ……………………………………………………………………… |
| Payment 3 | $ …………………………. | ……………………………………………………………………… |
| Contract Price | $ …………………………. | ……………………………………………………………………… |

**WARNING: - the contract price may vary due to:**

1. Variations to the work – see clause 5;
2. Inability to get materials or products;
3. Effect of GST payable by the Owner.

The contractors variation margin is ……………………….% (see clause 5)

**The parties sign this contract on the date below to record their acceptance of the above details and the**

**Contract terms.**

…………………………………………………………………………………………………

Owner

…………………………………………………………………………………………………

Contractor

Dated: …………………/………………../20……………………

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

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

……………………………………………. ………………………………………………..

Owner Owner

……………………………………………. ……………………………………………….

Print Name Print Name

1. Signatures

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

If you have answered “no” to any questions in the checklist you may not be ready to sign the contract. A “no” answer to the questions A or B does not mean the contract is not ready to be signed.

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

1. Signed copy of the contract

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

1. Home Building Compensation Fund

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

1. Cooling off Period for contract with price over $20,000.00

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

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

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

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

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

1. Acknowledgment of Owner

I/we have been given a copy of the Consumer Building Guide and

I/we have read and understand it

I/we have completed the checklist and answered **YES** to all items on it.

**Note.** Where the **Owner** is a company or partnership or the contract is to be signed by an authorised agent of the **Owner** and the capacity of the person signing the contract, e.g. director, must be inserted below.

GENERAL CONDITIONS OF CONTRACT

1. Standard of work and materials plus Statutory Warranties for Residential Building Work

The **contractor** warrants that:

1. The works will be done with due care and skill and in accordance with the description in the contract and the drawings and specifications listed, if any, in the contract particulars. Such documents, if any, form part of the contract. Refer to **Part A on page 1.** Any material supplied by the Owner is to be fit for its intended purpose. The **contractor** is entitled to rely on the Owners warranting the same.
2. All materials supplied by the **contractor** will be good and suitable for the purpose for which they are used and, unless otherwise stated, will be new.
3. The work under the contract will result, to the extent of the work conducted, in a dwelling or facility that is reasonably fit for occupation or use;
4. The work will be done with due diligence and within the time stipulated in the contract or if no time is stipulated within a reasonable time.
5. Any specific purposes for or outcome required as a result of the work is to be make known to the Contractor, in **writing**, and before the contract is signed. Such details are to be specifically attached to or detailed in the contract documents. If no specific purpose is made known then ( c) above will be the outcome required: and
6. The work will comply with relevant laws.
7. Plans and specifications
8. (i) All plans and specifications for work to be done this Contract, including any variations to those plans and specifications, are taken to form part of this Contract.

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

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

**Quality of Construction**

1. (i) All work done under this Contract will comply with:
2. The *Building Code of Australia* (to the extent required under the *Environment Planning and Assessment Act 1979*, including any regulations or other instrument made under that act) and
3. All other relevant codes, standards and specifications that the work is required to comply with under any law, and
4. The conditions of any relevant development consent or complying development certificate

(ii) Despite **Sub-Clause 2(b)(i)**, this Contract may limit the liability of the contractor **Builder,** and accordingly the **Builder** is not liable for a failure to comply with **Sub-Clause** **2(b) (i)** if the failure relates solely to:

1. A design or specification prepared by or on behalf of the **Owner**(but not by or on behalf of the contractor **Builder**) or
2. A design or specification required by the **Owner,** if the contractor **Builder** has advised the **Owner** in writing that the design or specification contravenes **Sub- Clause 2(b) (i)**
3. Payment by Owner

The **Owner** must pay the Contract Price in the manner listed at **Part C on page 1**. The Contract Price includes GST at 10%. The GST is payable by the **Owner** provided the Contractor is GST registered and the **Contractor** provides a tax invoice to the **Owner.**

The contract price covers those matters reasonably necessary for the completion of the work.

The **Owner** must pay the balance of the contract price within **two (2) working days** of notice from the Contractor that the work is complete. If the parties wish to make smaller and more frequent **claims for payment** and **payments,** they are to attach to this document a **written** payment schedule detailing what amount is to be paid and when it is to be paid. The parties are to sign any such document.

1. Completion of the work

The period to do the work is noted at **Part b on page 1**. If no period is stated, then the work will be completed within a reasonable time after the Contractor commences the work.

The **Contractor** is entitled to a reasonable extension of time when the work or the ability to work is affected by events or matters beyond the **Contractors** control. This include delay in instructions or payment, inability to work due to weather (including the consequences of weather on things such as site access or safe working conditions) or an inability or delay in getting material or trades. The time for completion is to be adjusted accordingly.

The **Contractor** will remove rubbish and surplus materials associated with the work upon reaching completion.

The work will be complete when it is finished in accordance with the contract except for minor omissions and defects which do not prevent the works from being used for their intended purpose. The contract adopts as a reference document the Guide to Standard and Tolerances 2007 (the **Guide**) as produced by the Victorian Building Commission. The guide is to be used to resolve issues about work quality.

1. Variations to work

The work may be changed by way of addition, omission or substitution. Such changes are to be agreed in **writing** between the parties or done as required by a competent Authority. The **Owner** and **Contractor** are to sign off any variation. Each party will do what is necessary to record the variation details in **writing.**

**Additional Work**

The price to be paid or the allowance made for variations involving additional work should be agreed. If no agreement is reached the variation will be valued using the cost of material and labour plus in all cases, a reasonable margin, to the **Contractor** for administration, overhead and profit. The reasonable margin for this agreement is noted in **Part C** on **Page 1**. If nothing is stated it will be 25%.

**Less Work**

If work is taken out of the contract then the reduction in the contract price will be an amount equal to the cost that the Contractor does not incur by reason of the work not being done. The proper effect of the GST is to be determined nothing the value of work done as a variation.