



GLOSSARY OF TERMS

Licence

Before any client begins the building process it is important to check the licence of the builder. All builders are required to have photo identification licence that states their name, licence number and what they are licensed to build in South Australia.

Documents

Questions that do arise during the building process can generally be answered by referring to the contract documentation.

Many people do not realise that included as part of the contract documentation are the following documents;

- Plans (normally marked "Contract issue")
- Building Specification
- Schedule of Finishes
- Engineer's Construction Footing Report

Plans

The plans detail what work is to be performed by the builder and generally shows the dimensions of the rooms and the house under construction. The plans will also include the siting or positioning of the house on the block.

Any site works that have to be performed prior to building will be included in the plans of the house, generally on a "site works & drainage" plan. Naturally, if the builder holds the copyright of plans they remain the property of the builder and must not be used with any other builder.

Building Specifications

The specifications details exactly how the builder is going to perform the building work outlined in the

plans and reference relevant Standards. It is generally a document that describes and specifies the technical aspects of all building materials to be used in the construction of the home. For example, it lists the types of timbers that are going to be used and their stress grading. The specification is an essential document and the Council will require a copy of it before building approval is granted.

Schedule of Finishes

As the name implies, the Schedule of Finishes details exact style, colour, texture and brand of materials and fittings to be used in the home. The schedule will list the colour of paint to be used on the internal and external walls, what roof tiles have been selected, what bricks have been selected, the type and brands of taps etc. The Schedule is the document that sometimes gives rise to concern from homeowners and they should be completely familiar with the Schedule of Finishes as it will detail exactly how the job is going to be finished.

Engineers Footing Report

The Engineer's Construction Footing Report is an essential document that is required as part of the building process. In most cases the building authority (Council or private certifier) will insist upon a copy of this report with associated Footing Layout plans to be lodged before building rules consent will be granted. The report details the soil classification, footing sizes, footing layout, reinforcement and thickness of the slab required to support the particular building. To classify the soils on that block, the Engineer will drill 2 or 3 boreholes over the proposed site where the house is to be constructed, which are then tested in a laboratory. This information will allow the Engineer to design a footing system to support the proposed dwelling and resist movement from natural soil reactivity.

The Construction Footing Report also contains valuable information that the homeowner should be aware of if they are planning to undertake further work after taking possession of the completed project. Details on landscaping, perimeter paving, retaining walls etc will be provided in the report, generally on a “siteworks & drainage plan”. This will also provide design details regarding stormwater management.

All of the documents listed, together with the actual signed Building Contract, make up the contract documents and need to be read and understood by all parties before work commences on a building project.

Plain English Documents

Master Builders SA provides for its members and consumers a standard set of plain English documents for the Specification, Schedule of Finishes and Building Contracts and recommends that owners become familiar with all of these documents before signing a contract build.

Building Indemnity

Under the current South Australian law, builders who enter into a domestic building contract are required to take out what is called Building Indemnity Insurance on behalf of the home owner, if the contract value is more than \$12,000 and the project requires Development Approval.

Building Indemnity Insurance is designed to protect the consumer.

Homeowners are protected in the event of death, disappearance or insolvency of the builder. It not applies during the construction but for a five-year warranty period following completion of their residential project.

A certificate of Building Indemnity Insurance must be lodged with the Council before construction begins and a copy of the Certificate must be given to the homeowner.

If, during this five-year warranty period the builder dies, disappears or becomes insolvent the insurance company will meet any of the rectification costs of the building work, where defects can be traced back to a breach of statutory warranties. If a claim is made, the homeowner will only be required to pay the contractual amount and the insurance company will arrange for the construction of the project to be completed and meet any additional costs above the contract sum for the building work, to a maximum of \$150'000.

Warranties & Guarantees

It is important when signing a contract to build a home, extension or a renovation that the client of the builder understands the warranties and guarantees in the contract that cover construction, materials, appliances and fittings.

Hand Over

At the completion of building works the owner and builder sign a Statement of Compliance stating works are complete, connected to services, have working smoke alarms and other fire protection measures as necessary (such as in bushfire prone areas) and built in accordance with the approval. At hand over, when the builder has completed the project and all money has been paid according to the contract, the homeowner then becomes responsible for all service fees and insurances on the property.

The homeowner receives all warranties and guarantees for fittings and appliances, Certificates of Compliance for all plumbing, electrical work and a certificate or notice of the termite and pest treatment used to protect the property.