BUILDING AND RENOVATING IN THE NT
A Consumer Guide
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1.0 Introduction

Building or renovating your home can be a rewarding experience, but the process can be complex. Before you start, there is a lot of information to collect and important decisions to make. Take your time and research thoroughly as this could be one of the largest financial decisions you will ever make. This guide has been prepared to help you on this journey. Checklists have been included at the end of this document to assist you.

If you are 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 a designer and a smaller building company;
- Use a small design and build company;
- Become an owner builder; or
- Buy a home being constructed off the Plan.

If extending or renovating your home you can:
- Use a company that manages your plans, building permits and construction;
- Use a designer and a smaller building company;
- Use a small design and build company;
- Engage a builder to supervise the entire project and coordinate subcontractors for you; or
- Become an owner-builder.

The level of involvement in your project will vary according to the option you choose.
1.1. Building definitions

Understanding the language of residential building can help you to avoid problems. It is recommended that you read the Glossary at the end of this document.

The builder is required to ensure that any persons engaged are appropriately qualified.

A tradesperson works in a particular field in the home building industry, for example: concreters, bricklayers, carpenters, electricians, plumbers, plasterers, tilers, painters, fencers, and gasfitters.

1.2. What does a builder do?

Many builders do not actually do building work themselves. They:

- Manage and coordinate home building or renovation projects;
- Manage the purchase and delivery of materials; and/or
- Subcontract the work of tradespeople such as electricians, plumbers, bricklayers, painters and carpenters during the course of construction.

A tradesperson works in a particular field in the home building industry, for example: concreters, bricklayers, carpenters, electricians, plumbers, plasterers, tilers, painters, fencers, and gasfitters.

1.3. Building control areas

In recognition of the difficulties and costs related to engaging building certifiers in areas remote from Darwin and Alice Springs, from 3 July 2006 the Northern Territory (NT) Government established a two-tier Building Control Area system. The following table provides details of the certification requirements:

**TIER 1**  
**Darwin, Lake Bennett and Alice Springs Building Control Areas**

- Full certification process applies for all buildings.
- For prescribed building works* full certification includes:
  - building permit;
  - mandatory inspections;
  - builders declaration; and
  - occupancy permit.
- Prescribed building works* must be built by a registered building contractor residential or an approved owner-builder.
- National Construction Code (NCC) and technical regulations apply in full.
- Residential Building Cover must be obtained for work that requires the cover

**TIER 2**  
**All other Building Control Areas**

- Full certification process for all buildings other than those specified below.
- For prescribed building works* except for Class 1a attached duplexes etc and Class 2 attached units etc the following part certification applies:
  - building permit;
  - no mandatory inspections;
  - builder’s declaration; and
  - no occupancy permit.
- Prescribed building works* must be built by a registered building contractor residential or an approved owner-builder.
- National Construction Code (NCC) and technical regulations apply in full
- Residential Building Cover must be obtained for work that requires the cover (there is no exclusion because the work is undertaken in Tier 2)

*Prescribed building works are works worth more than $12,000 on:
- Class 1 - a detached single house and attached duplexes etc;
- Class 2 - attached units, flats etc;
- Class 10 - garage, carport, etc attached to and built at the same time as the Class 1a or Class 2 and
- a retaining wall that is not attached but is integral to the structural integrity of the building.
To see if a property is within a building control area, please check the following website:
www.lands.nt.gov.au/building/regulations/areas

1.4. The Building process – permits and paperwork

Building work requires permits and paperwork prior to work commencing and on completion. It is important that you understand the building process and what documents are required by the NT building legislation. These documents are designed to protect you.

The first thing to consider is whether or not you will need a permit for your project. The Building Checklist on page 37 provides a general overview of what building works require a contract; building permits; insurance or Fidelity Certificate cover, and registered builders.

Building permits relate specifically to the construction of a building. You may also require a planning permit (known as a Development Permit) that needs to be submitted with Development Assessment Services (for example, side and rear setback variations for single dwellings). If a planning permit is required, it must be obtained BEFORE a building permit can be issued. A planning permit does not remove the need to obtain a building permit. Talking to Building Advisory Services or Development Assessment Services (refer to page 36, Section 15.0 Who to Contact) and/or a building professional will be able to give you some initial advice about the permits required.

The Northern Territory Government commenced the Residential Building Cover Package on 1 January 2013. Residential Building Cover is a reference to Residential Building Insurance or cover through a Fidelity Fund Scheme and is required in place of the Home Building Certification Fund (HBCF) cover. At present, the only provider of the cover is Master Builders Association NT, which issues Fidelity Certificates. More information about the Residential Building Cover Package is available on Building Advisory Services website at www.nt.gov.au/rbc.

Building works that must be covered by a Fidelity Certificate, which must be taken out prior to the issue of a building permit, are residential building works of at least $12,000 in value and in connection with the construction of:

- a Class 1a building (which are houses, duplexes, townhouses) or Class 2 Building up to three residential storeys (which are apartments, units, flats), each referred to as a relevant building)
- a Class 10 building attached to a relevant building if the Class 10 building is constructed at the same time as the relevant building is constructed. Examples include a garage, retaining wall or verandah
- a Class 10 building that is a retaining wall (whenever constructed) that is not attached to a relevant building but on which the integrity of the relevant building depends
- The building work includes extensions to a relevant building and renovations where the renovations are carried out under the same contract as for an extension. Extensions and increases in floor area are not specifically defined in the legislation. Fact Sheet 11 titled What is an ‘increase in floor area’ or ‘extension’? available on Building Advisory Services website provides the detail about what work is considered an extension (or increase in floor area)
- Building work as described above and done for Defence Housing Australia, requires the cover

Contributions must be paid by the builder at the Master Builders Association NT (MBANT). It is an offence for a builder to demand or receive payment (whether as a deposit or otherwise) under a residential building contract unless a Fidelity Certificate has been taken out and a copy has been provided to the owner.
The following provides a brief summary of what is involved in getting building approval:

1.4.1. Preparing Plans
You must prepare plans for the structure you want to build. It is a good idea to seek the help of a building professional who knows the NT building system. This will ensure finished drawings are accurate, clear and complete.

Drawings should include an accurate and to scale site plan, floor plans, elevations and structural detail. A structural engineer must approve the structural details.

If a planning permit is required, it must be obtained BEFORE a building permit can be issued.

1.4.2. Applying for a Building Permit
You must engage a NT registered building certifier to issue a Permit to Build (Building Permit) before you start building work.

A Building Permit ensures:
- The required builders are registered and carry insurance or Fidelity Certificate Cover (if applicable);
- Adequate documentation is prepared to enable proper and complying construction of the proposed building;
- An independent review of building documentation occurs;
- Key stages of the work are independently inspected;
- Your building is independently assessed as suitable for occupation; and
- The certainty of compliance with the building legislation prior to building work commencing.

Electronic copies of the various building forms can be found at the following website:

1.4.3. Assessment by a Building Certifier
Your building certifier will assess your application for a Building Permit to make sure that the proposed work complies with the Building Act, Regulations and the National Construction Code (NCC). The NCC covers issues such as structural safety, and health and fire protection, but does not address the quality of the work or finish.
1.4.4. Building Permit

Your building certifier will issue a Building Permit, which is valid for two years from the date of issue. This period can be extended by applying to your building certifier BEFORE the expiry date.

The Permit will state at what stages inspections will need to occur.

Amendments/variations to the approved design must be approved by the building certifier before any work commences.

1.4.5. Before Construction Starts

Before construction starts, your building certifier must have:

- Approved all plans;
- Issued the Building Permit;
- Forwarded a copy of the Permit and plans to the Regulator (Director of Building Control), Building Advisory Services, Department of Lands, Planning, and the Environment;
- Checked that a copy of the building insurance / Fidelity Certificate is with the application for the Building Permit (if applicable); and
- Informed the builder of the appropriate notification stages (inspections).

1.4.6. Inspections

Inspections are an important part of the permit process. Your builder will ring your building certifier to arrange these inspections. It is vital that you ensure that your builder arranges for these inspections to occur. If they have not taken place, you may not be allowed to live in your building once the work is completed.

If you are an owner-builder, you will need to contact your building certifier and organise these inspections yourself.

Please note that the plumber or drainer carrying out drainage works has to notify Building Advisory Services of the completion of the drainage works prior to covering up the works.

1.4.7. Completion

On completion of building work, the builder must sign a declaration stating the building works have been carried out in accordance with the permit.

This must be given to your building certifier before an Occupancy Permit is granted.

1.4.8. Occupancy Permit

An Occupancy Permit is a document that shows the building certifier is satisfied and has approved your building as being suitable for occupation. It will only be issued when items affecting health and safety are in place and fully operational (e.g. water supply, safety glass, handrails etc). It does not mean that all the painting is done, the carpet is laid or that all the fittings are in place. The relationship between the Occupancy Permit and your contract should be clear to you before signing the document. If you have any doubts or do not understand the relationship you should obtain legal advice.

When the building is constructed in compliance with the Building Permit and approved plans, you must apply to your building certifier for an Occupancy Permit.
The building certifier will tell you what documents need to be lodged with your application. For example, you may need to obtain certificates from tradesmen on the project, for building work such as:

- Plumbing;
- Glazing;
- Electrical;
- Termite treatment;
- Prefabricated roof trusses;
- Wet area sealing products;
- Prefabricated window and door frames; and
- Fire safety products or installations.

The building certifier must settle the application within 20 days.

A building cannot be occupied unless an Occupancy Permit has been issued. The building certifier must forward a copy of the Occupancy Permit to the Regulator (Director of Building Control), Building Advisory Services, Department of Lands, Planning and the Environment within seven days of issue.

It is essential that you obtain a copy of the Occupancy Permit as this shows that you can legally occupy the building. You should keep this certificate in case you are ever asked for it.

1.4.9. What happens if your Building Permit lapses?

If a Building Permit lapses but building work continues, that building work may have been required to be inspected at one of the mandatory inspection stages. It is difficult to confirm the compliance of building work after it has been completed. The building certifier who originally issues the Building Permit may refuse to approve the work or may require a part of the building to be exposed to be satisfied that the work is appropriate before issuing an Occupancy Permit.

If a Building Permit lapses and building work is not complete, a new Building Permit will be required to be issued to enable completion of the unfinished building work. This would require a new application for the issue of a Building Permit for the unfinished building work. The building certifier will require plans that show the work yet to be completed as well as the payment of the appropriate fees. The application must be made to the same building certifier who issued the original Building Permit unless a termination of their appointment has been obtained from the Regulator (Director of Building Control), Building Advisory Services, Department of Lands, Planning and the Environment.
2.0 What can I afford to build?

2.1. Budget

Have you worked out your total budget including:

- Cost of land;
- Land valuation;
- Legal fees;
- Loan establishment fees;
- Insurance – mortgage, building and contents;
- Fees for independent legal and technical advice throughout the project;
- Stamp duty;
- Settlement agent’s fees;
- Rates;
- Taxes;
- Site works;
- Building costs – which may or may not include the cost of mandatory inspections by a building certifier;
- Furnishing costs;
- Landscaping; and
- Moving expenses.

Once you have shopped around and worked out how much you think your home building project will cost, you may consider adding on an extra 15 percent to your estimate, to cover contingencies.

2.2. Finance

Home loans (or mortgages) are available from banks, credit unions, building societies and finance companies. Have you checked whether you will qualify for finance? Many financial institutions have brochures or information on the internet on the different types of home loans available.

If applicable, 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. Lenders generally have stricter criteria for owner-builders.

You may also wish to consider going to a mortgage broker or an independent financial adviser.

Key points when choosing a lender:

- Shop around and get three quotes for the best possible interest rates;
- Consider total, long-term package;
- Check flexibility and fees, ongoing charges and penalties; and
- Work out which product suits your needs.

You can use a mortgage simulator and comparison rates to help make an informed choice.

Remember, when it comes to home finance, do not over commit, and make sure you allow for changing circumstances.

2.3. Government assistance

Are you eligible for any financial assistance from the Government? Why not check out the following websites for further information:

- www.treasury.nt.gov.au/TaxesRoyaltiesAndGrants/Pages/default.aspx
- www.housing.nt.gov.au/housing_choices/homebuild_access
- www.housing.nt.gov.au/housing_choices/affordable_housing_releases

Remember, when it comes to home finance, do not over commit, and make sure you allow for changing circumstances.
3.0 Choosing the land

Factors you may wish to consider when choosing land are:

- **Size** – will it accommodate your planned home when you take into account the planning setbacks?
- **Slope, soil types and stability** – do you know the full extent of the site works required for work such as tree removal, levelling, retaining walls, removal of clay or rocks, extra drainage etc? Does the site contain any fill material? Soil tests will establish whether the site can be built on, the type of footing or slab needed, and the number of storeys permitted;
- **Is the block well drained in regard to potential surface or sub-surface run-off?**
- **Aspect** – desired orientation of your house;
- **Easements, zoning, encumbrances which may restrict what/where you can build;**
- **Where are the exact boundaries and do you need fences?** Only a licensed surveyor can position survey pegs;
- **Does the locality meet your current and future needs (e.g. transport services, schools, childcare, shops, medical facilities, places of worship etc);**
- **Check if any major planned works are in existence (e.g. major highway planned in 10 years time);**
- **Is the land within a storm surge zone?** – this may affect finance and insurance; and
- **Check with the local council on how much the rates are.**

4.0 Building options

Have you visited a few display homes by project builders and also individual homes built by non-project builders so that you really understand the different options? You may also wish to seek clarification about special offers.

4.1 Project homes

Project home builders generally offer a selection of ‘standard’ plans covering a wide range of prices, styles, sizes, specifications and standards of fittings and inclusions.

They also provide other services, including assistance with mortgage finance and a variety of combined house and land packages, which may include extras such as driveways, landscaping, appliances etc.

The advantages of project homes include:

- The designs have been used by previous clients;
- Some of the designs may be on display giving you the chance to view the finished product;
- There may be cost savings (especially compared to a custom design); and
- Not having to develop a detailed design specification.

Note that some changes (e.g. in design detail, room size, standard of fittings/inclusions) will usually be allowed, but there may be some limitations about what you are able to do. Ask the project builder to what extent the plans can be varied and at what cost.

4.2 Display homes

Many project builders use furnished display homes to show some of their house designs. Whilst this allows you to see the features of the home as a finished product, it is important that you realise that some of the fittings and design features may not be included in the standard version of the home. It is important that you know precisely what you will get if you decide to contract with the builder. Remember to check the contract and specifications.
Some of the following items will NOT normally be included in your contract, even though they may be seen in the display home:

- Loose furniture;
- Security systems;
- Floor coverings;
- Dishwashers, washing machines and ‘loose’ electrical appliances;
- Curtains, blinds, light shades, wallpaper, and fixed mirrors;
- Garages/carports;
- Security and fly screens;
- Concrete or tiled floors under the entry porch or verandah;
- Driveways, paths, landscaping and gardens;
- Garden sheds, and outdoor furniture;
- Fences and pergolas;
- Letterbox and clothes line;
- Pools and spas;

Only a limited range of building materials are usually included in the standard price of the home. Check if other building materials are available and at what additional cost; and

Although brick homes are often displayed with coloured mortar – natural and light grey mortar is usually standard and other colours may cost much more.

The price of a display home is usually based on construction on a fairly flat block with a stable soil type and little or no underground rock. It may cost a lot more if you have a steep slope, unstable soil or rock beneath the surface.

4.3 Individually designed homes

A home can be designed by anyone or you can engage a design professional to do the work. A design professional can provide plans and specifications that match your needs, preferences, budget and/or the aspect and shape of your land. Design services can be provided by:

- Architects;
- Builders;
- Building designers; and
- Engineers.

4.3.1 Selecting design services

When selecting design services you should:

- Be clear about what your needs are and the extent of work you require to be done;
- Make a list of designers using information from relevant professional organisations; advertisements; trade and business directories; and personal recommendations;
- Make a time to meet onsite and determine if you can work together;
- Obtain comparable quotes which clearly state what work and services they cover;
- Look for value for money but not necessarily the cheapest quote; and
- Check the past performance by contacting previous clients (ask the designer for a client list).

4.3.2 Your role in the design process

Before your designer starts any work you should work out and talk to them about the following:

- Your budget for the construction or renovation work you are seeking to be designed;
- The design features and facilities – e.g. overall size and shape of the home; number and location of the bedrooms; ceiling height; window sizes and details. It would be helpful to show the designer any photographs, sketches, magazines etc of the things you like;
- The specifications, fittings and materials to be used;
- Time constraints and expectations - when do you need the final plans to be ready for approval?
- If you want exclusive copyright ownership to the house plans you and the designer will develop - be sure to document this in your written agreement.

4.3.3 The designer’s role in the design process

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

The following list of questions to ask at the initial discussions can help you assess the designer and determine exactly their role in your project:

- In addition to preparing the design and working drawings (full technical plans drawn to scale showing internal and external dimensions), ask if the designer provides other services, such as:
  - site inspections (to ensure characteristics of the block and its environment are fully considered);
  - sketches of the elevations (i.e. three dimensional side views of the house as it will look when the work is completed);
  - preparation of tender documents (if the job goes to tender); and
  - preparation and lodgement of documents (including plans) for approval.
- Does the designer know the area in which you intend to build?
- Does the designer check for easements and the location of utilities (e.g. sewerage pipes) which could affect the siting and design of the house?
- Will the designer liaise with the Government town planners to ensure any special planning requirements are included in the plans before they are submitted for approval?
- Will the designer liaise with the building certifier or is this something you will have to arrange and pay for?
- What upfront deposit does the designer require before they start work? Be sure you get receipts for all payments and do not make the final payment until all work has been completed;
- How is the designer’s fee calculated (e.g. a percentage or fixed sum)?
- What additional information or assistance does the designer require from you?

- What procedures and/or costs apply if you wish to vary the plans after they are completed?
- When will the design be ready?
- Who will own the design copyright and how could this affect the design cost?

Copyright laws apply to building plans. These laws prohibit (and penalise) any unauthorised copying or use of plans belonging to someone else (e.g. plans obtained from another designer or project builder). If in doubt, check with the Australian Copyright Council on (02) 8815 9777.

4.4 What is and isn’t included in the price of the home?

Do you fully understand what is and is not included in the price of your new home? Get everything in writing, including these types of features:

- Paths and driveways;
- Crossover (is located between the road edge and the property line to allow access to your property);
- Carport floor;
- Garage doors;
- Fencing;
- Retaining walls;
- Hot water service (including details of type and size);
- Light fittings;
- Quantity and location of power points;
- Television antenna and outlet;
- Garden taps;
- Window locks;
- Flyscreens;
- Roof insulation;
- Vanity cupboards;
- Shelving to cupboards and robes;
- Wall painting (specify how many coats of paint); and
- Floor tiling (including the laundry).
5.0 Extending and renovating your home

The process of extending and renovating is similar to building a new home. However, the key difference is the need to consider and match up existing materials and finishes.

Renovating refers to upgrading or remodelling a home which does not add additional floor area to the home.

Your planning process should include an assessment of the completed project and what effect it may have on the capital value of the property. This is an important exercise and it should deal with the risk of over-capitalising. To assist you with this exercise you need to establish the current value of your home. Local real estate agents are usually happy to give advice on values and prices in your area.

Checklist:

- Ensure the existing home is structurally sound and has the required building approvals;
- Find out what permits you need;
- Before you get design and plans done, check for any covenants, building envelopes, easements that may restrict your building; and
- Assess the space that you want and can afford.
- Make a detailed list of your specific requirements and desires.

Some homeowners move out for the duration of the renovation. 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).

6.0 Checking your building plans

- Have you checked all your plans and specifications thoroughly? Make sure you fully understand the plans and all of the symbols used;
- If you selected from a display home, have you taken the plans along and checked the features and the measurements of the rooms and fixtures installed?
- Have any changes or any extras that may have been offered or agreed to by the builder’s sales consultant been included on the plans or in the specifications?
- Have all of your selected materials and design changes been included in the drawings and/or specifications?
- Are the locations of power points, taps, light fittings, and TV fittings where you want them?
- Have you checked the total cost of any changes you have made to the original plans?
- Are you still certain that you are able to meet the total financial commitment?
7.0 Choosing a builder or contractor

There are many ways you can find a builder, including:

- Asking recommendations from family and friends;
- Asking building professionals for a recommendation;
- Looking through the yellow pages and newspapers;
- Searching the internet; and
- Contacting building associations, such as the Master Builders’ Association (telephone 08 8922 9666) and/or the Housing Industry Association (telephone 08 8941 2777).

Have you thoroughly researched the builder you are considering contracting with? Are they registered in the NT? You should visit the register of building practitioners on the Building Practitioners Board’s website to confirm that your builder is registered before and during construction. How long has the builder been in business? Have they traded under another name?

You can also get information about companies and individuals from the Australian Securities and Investments Commission, either:

- By searching its free registers on its website at www.asic.gov.au/search;
- Using information brokers (see www.asic.gov.au/informationbrokers), or
- Going into one of its Service Centres.

The Commission has an Information Sheet titled Dealing with Businesses and Companies: How to avoid being swindled which has tips on avoiding dubious operators and reducing your chances of being swindled. Visit the following page to access that Information Sheet:


It is good practice to obtain three written quotes from different builders using the same scope of works. Always ask the builder to provide you with an itemised quote. This will allow you to compare prices and also to detail any prime cost items such as sanitary ware, tiles, whitegoods or carpets.

Quotes and estimates are different. An estimate is a reasonable guess of the costs involved without knowledge of the exact extent of the work to be done or the exact costs and standard of materials. An estimate, even if written, will not bind the person providing it to you and you can end up paying more or paying for work you did not specifically authorise.

A quote will become a legally binding contract once the builder offers the consumer work for a fixed price, and the consumer accepts the offer and any conditions. The quote should detail all the work to be done and materials to be used. It should have a time limit for which the quote is valid. The quote should always be fixed and state how long it is fixed for.

Do you fully understand what is and what is not included in the price of the house? (Please refer to the list 4.4 at page 12). Check with the builder whether the cost of fixtures and fittings shown on the plans and specifications is included in the price. Make sure the quotes you receive itemise the GST payable.
8.0 Before you sign the building contract

The builder should visit your building site to clarify what extras may be required to address the particular site conditions. Such extras may include:

- A surcharge for building outside the builder’s normal geographical area;
- Site access problems for delivery of materials;
- Unusual footings;
- Extra long connections to drainage, water or electricity;
- Engineering fees;
- Rock excavation; and
- Drilling under roads for service connections.

Have you compared the different itemised quotes and builder’s past work? Ask the builder to provide you with contact referees and a list of addresses for building work they have carried out in the past 12 months.

It is important that you are able to communicate well verbally and in writing with your builder. The quality of your relationship with your builder will affect the quality of your building experience. If you have any doubts, keep looking.

Ask past clients:

- Did the builder provide documents that clearly detailed and priced the work to be done?
- Did the builder provide good customer service?
- Did the builder stick to the agreed costs and timings?
- Would you engage that builder again?

The contents of a building contract are generally negotiable in the Northern Territory. However, the Building Act prescribes some matters that MUST be included in a building contract for the following residential building work:

- A detached class 1a building (for example, a house);
- A class 10 building attached to a class 1a building (for example, a carport or verandah) if constructed at the same time as the class 1a (for instance, the house);
- A retaining wall relating to the structural integrity of a house;
- Extensions to the internal floor area (e.g. adding a room);

AND
- If the building work is worth more than $12,000

The mandatory provisions for that type of work are as follows:

- A prescribed building contractor must not commence or continue to carry out the building work unless the building contractor has entered into a contract with the owner of the land (which must be in writing)- Section 48B
- A contract must include provisions which relate to the work to be undertaken on a single project - Regulation 41H(a)
- A contract must identify the building contractor - Regulation 41H(b)

Make sure that the person or entity who you are contracting with is the same as the person or entity who/which is registered as a building contractor. Contact the Building Practitioners Board for this information. For example, if you are negotiating with John Smith to build your house check whether John Smith is a registered builder. When you review the contract make sure that John Smith is specified as the building contractor. If, for instance, the contract says that the builder is John Smith Building Company you will need to check that the company is a registered building contractor and that John Smith is authorised to sign the contract on behalf of the Company.

- A contract must specify the builder’s registration number - Regulation 41H(c)

Again, check that the registration number on the contract matches your builder’s registration number. Check your builder’s registration number by contacting the Building Practitioners Board.
• A contract must specify the extent of the work to be undertaken and the total contracted price. - Regulation 41H(d)

The extent of the work may be detailed by reference to plans and specifications as well as a description in writing. The total contracted price is subject to change due to things such as prime cost items/provisional sums and if variations occur. Those variations are different from cost-plus contracts, which are prohibited by this provision. Read your contract carefully to understand how the total contracted price may be affected. Consider whether the plans and specifications are clearly detailed and checked. You should consider speaking with someone with knowledge of construction matters who may be able to advise you whether there is sufficient detail.

• A contract must specify the amount of any deposit payable and the deposit must not be more than 5% of the total contracted price - Regulation 41H(e)

• A contract must specify the percentage of the total contracted price which is only payable after completion of all contracted stages of the building works and when the owner has received either an occupancy permit or a builder’s declaration and a copy of all relevant documents or certificates have been provided to the owner. This percentage amount must not be less than 3% of the total contracted price (the Final Stage payment) - Regulations 41H(f), 41HA and 41HB(e)

• A contract must specify either the standard progress payments or a variation of the standard under a progress payment agreement - Regulation 41H(f)&(g)

• Standard progress payments are set out in regulation 41HA(1) and specify the percentages of the total contracted price, payable as progress payments, to be made after completion of the base stage, the enclosed stage, the fixing stage, the frame stage and the practical completion stage. Each of those stages is defined in regulation 41HA (2). An example of the standard progress payments on a $500,000 build is at the end of this list.

• A varied progress payment agreement may vary both the stages of work and the percentages payable for the work except for the mandatory limits on the deposit and the final payment. This agreement must be made in the approved form, available from Building Advisory Services website at http://www.lands.nt.gov.au/building/factsheets-forms-faqs/forms - Regulation 41H(g), 41HB and 41HE

• A contract must include a provision in relation to dispute resolution. Such a provision is of no effect if it purports to restrict or remove a person’s right to access a dispute resolution process available under a law in force in the Territory. Such a provision is of no effect if it requires a dispute to be referred to a third party for a final and binding decision - Regulations 41H(h) and 41HC and Section 54BA

This does not prevent the parties from agreeing, once a dispute has arisen, to appoint a third person to determine the dispute (expert determination, arbitration, and mediation) or referring the matter to the Commissioner of Residential Building Disputes if the matter concerns a consumer guarantee dispute. An example of a dispute resolution clause is at the end of this list.

• When you receive a claim for a progress payment, the invoice from your builder must include a declaration to the effect that the work to which the claim relates has been completed - Regulation 41HF.

• A contract must include the consumer guarantees prescribed in section 54B of the Building Act.

It is an offence under the Building Act not to include the consumer guarantees in the contract and any provision attempting to restrict or remove a person’s rights in relation to the consumer guarantees has no effect. The consumer guarantees are:

• The builder will carry out the building work in a proper and workmanlike manner and in accordance with the plans and specifications specified in the building permit for the work and specified in this contract.

• All materials supplied by the builder will be good and suitable for the purpose for which they are to be used.

• All materials supplied by the builder will be new unless there is a special condition in this contract specifying otherwise.
The builder will carry out the building work in accordance with the Building Act, the Building Regulations, the National Construction Code and other laws in force in the Northern Territory.

The builder will carry out the building work with reasonable care and skill.

The builder will complete the building work by the date or within the period specified in this contract or if no date or period is specified, within a reasonable period.

It is also an offence under the Building Act for a builder to demand or receive any payment (whether a deposit or otherwise) under a residential building contract, BEFORE Residential Building Cover has been taken out, and a copy of the policy or certificate has been provided to the owner.

Example - Dispute resolution – suggested clause

The following paragraphs comprise a suggested clause which complies with the Building Act. You need to check the dispute resolution clause in your contract and ensure that it does not require you from the outset of a dispute to take the matter to a third party for binding resolution.

If the owner or builder considers that a dispute has arisen in relation to any matter covered by this contract, during the progress of the work, that person must promptly write to the other party and give notice of the matters in dispute.

Upon notification of a dispute the parties are to attempt to resolve the dispute informally.

If the parties cannot resolve the matter informally, the owner or builder may refer the dispute to the Commissioner of Residential Building Disputes for a mediation or conciliation.

If the dispute relates to a consumer guarantee and the parties cannot resolve the matter themselves, they may enter into a separate agreement to mutually refer the dispute to a third party with the ability to mediate the matter, arbitrate the matter or give an expert determination.

In the event that the parties are unable to resolve the dispute, either party may pursue other legal avenues available to them.

Notwithstanding the existence of a dispute, the parties must continue to perform their obligations under the contract unless they lawfully cease to perform in accordance with a specific provision in this contract.

Work not subject to the requirements in the Building Act and Regulations

If your proposed building work is not of the type subject to the requirements in the Building Act and Regulations discussed above, regardless of the size and price, NT Consumer Affairs still recommends that you have a written contract or agreement. The contract or agreement should include plans and specifications for the work, items to be supplied, the amount agreed upon, and full details of the trader including an address and an Australian Business Number (ABN).

Example - Standard progress stages and percentage of total contracted price for each stage based on a build of $500,000.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Maximum Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit</td>
<td>No more than 5%</td>
<td>$25,000</td>
</tr>
<tr>
<td>Base stage – on completion</td>
<td>No more than 10%</td>
<td>$50,000</td>
</tr>
<tr>
<td>Frame stage – on completion</td>
<td>No more than 20%</td>
<td>$100,000</td>
</tr>
<tr>
<td>Enclosed stage – on completion</td>
<td>No more than 25%</td>
<td>$125,000</td>
</tr>
<tr>
<td>Fixing stage – on completion</td>
<td>No more than 30%</td>
<td>$150,000</td>
</tr>
<tr>
<td>Practical completion – when reached</td>
<td>No more than 7%</td>
<td>$35,000</td>
</tr>
<tr>
<td>Final completion – after issue of OP or BC</td>
<td>At least 3%</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

Total 100% $500,000
A building contract outlines the general rights and responsibilities of you and the builder. Your builder’s responsibility is to build your home in accordance with the agreed and approved plans and contract documents.

All building contracts, regardless of the price will be either subject to other legislation such as the Australian Consumer Laws, or the general law and require 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 any specified purpose;
- Carry out the work in accordance with all relevant laws and legal requirements;
- Carry out the work with due care and skill and complete the works by the date (or within the period) specified by the contract, and if no time is set, within a reasonable time; and
- Ensure new homes, extensions, renovations are suitable for occupation when completed.

Your responsibility is to pay for work in accordance with the contract, and to communicate your choices, decisions, changes and any concerns you may have to the builder. If either of the parties fails to do what they say, they may be in breach.

8.1 Contract checklist

- Make sure you understand what the building stages mean and familiarise yourself with some building terms, for instance the term ‘lock-up stage’ often has quite a different meaning for a builder than for an owner.
- If you want your building work to be built to a higher standard than is specified by the National Construction Code, you will need to include details of the applicable standards in your contract.
- Your contract should specify a commencement date and an end date or a fixed period (e.g. build will be completed 16 weeks from the date the building permit is issued).
- You should include provisions about what happens where a contract is extended or delayed. Where will you live if there is a substantial delay? - Is there a penalty for late completion which would cover rental accommodation for you?
- Do you understand your rights to visit the building site for the purpose of inspecting and viewing the works?
- If you have informed the builder of any special requirements and finishes, are they clearly written in the contract?
- Monitor progress payments and the work that is to be done for each stage. If you pay more money than you are supposed to under stages of your contract you will not be covered if your builder defaults (even if the work is covered by a Fidelity Certificate). If you are uncertain whether work under a particular stage has been completed or not you should speak with your builder and your certifier about it. You may consider employing a quantity surveyor to assess whether the work claimed has in fact been completed.
- Also, be aware of the consequences of paying a progress payment late. Late payment may disrupt the build and delay completion. At worst it can result in a contract being terminated, which can have very serious consequences.
- Are you or the builder able to make any changes (variations) under the contract, once the project has started? If so you need to ensure that any changes to the contract are priced; recorded in writing supported by plans and specifications (if applicable); and a reasonable estimate of any delay to the work which may result from the variation is provided by the builder.
- If you are borrowing money for your build, you may need to include provisions in your contract that are required by your lending institution such as stages for progress payments, inspections of the work and turn around for payments.
Be clear about who is supplying what – for instance, are you responsible for purchasing and supplying appliances or fittings such as tapware. Make sure you understand how ‘prime cost’ items and ‘provisional’ items are dealt with under the contract.

Be clear about what happens if you find yourself in dispute with your builder, contracts usually specify a method for bringing disputes to each other’s attention and how to resolve disputes. If you don’t follow the method set down in your contract you may jeopardise your position and inadvertently breach your contract.

The following is relevant once you have entered into a contract:

- Your builder cannot commence work or demand or receive any payment under the contract without having Residential Building Cover in place and providing you with a copy of the Fidelity Certificate. If your builder is still working on your build or has finished but is still contactable and solvent and not de-registered, the Building Act provides for dispute resolution before the Commissioner of Residential Building Disputes for certain building work. Please visit Building Advisory Services, or NT Consumer Affairs websites for more information about this process at www.nt.gov.au/building or www.consumeraffairs.nt.gov.au.

You can minimise the risks associated with building a new home by ensuring that you have fully considered and researched all aspects of entering into such a transaction. This could include, but is not limited to obtaining advice from a legal practitioner, your lending institution, your certifier, or a quantity surveyor. It is also advisable to ask your builder for referees and contact the Building Practitioners Board to ensure that your builder is registered.

8.2 Are terms of your contract unfair?

Laws protecting you from unfair terms in consumer contracts came into effect on 1 July 2010.

The laws offer you increased protection in circumstances where you have little or no opportunity to negotiate with the business. For more information on:

- How you can tell if a term in your contract is unfair;
- If there are any terms or contracts that the law does not apply, or
- What you can do if there is an unfair term in your contract?


8.3 Tips for avoiding contractual disputes

8.3.1 Builders and trade contractors

Builders and trade contractors should ensure that:

- Their registration or licence is current and appropriate for the work to be done;
- The nature of the work to be done, how long it will take and exactly what it will cost, are explained and given in writing to you;
- Any variations (e.g. price or scope of works) are put in writing and given to you;
- All parties understand their rights and responsibilities and sign the contract; and
- You are given a copy of the contract at the appropriate time.

8.3.2 Consumers

You should ensure that:

- You are clear and consistent in describing the building works you want;
- You talk with your builder regularly about the progress of the building project and discuss any concerns you have as soon as they arise. Ask questions if in doubt;
- You regularly inspect the work with the builder or site supervisor (e.g. at progress payment stages); and
- You keep a diary of progress and meetings relating to the building project (including photographs with dates), and discuss any concerns you have as soon as they arise.
9.0 Before construction starts

9.1 Checklist

☐ Has the contract been signed by both parties?
☐ Has the builder given you a complete, signed set of the contract documents?
☐ Have you provided proof of ownership of the land to your builder?
☐ Has the Building Permit been issued?
☐ If building in a suburb with development covenants, has the developer’s approval (if applicable), been received by the builder?
☐ Is the proposed work on your land totally contained within the boundaries of your block; correctly positioned on your block and in relation to your block boundaries; and set out in accordance with the design plans? To be confident that the building accurately conforms to these things, employ a registered surveyor. The surveyor will visit on site and take measurements to locate block boundaries and then place markers so the builder knows exactly where to commence work;
☐ Has confirmation of finance approval been received? Your builder may request a copy of the finance approval; and
☐ Has the builder invited you to attend a ‘pre-start’ meeting? At that meeting you will be asked to make a number of important decisions about the types of materials and fittings and about colours. If you must make any last minute changes, make them now and not after construction starts unless the contract has been amended accordingly.

9.2 Building certifier

A NT registered building certifier must be engaged before any building work starts. The building certifier’s role is to:

- Issue a Building Permit which is valid for two years from the date of issue. This period can be extended by applying to the building certifier BEFORE the expiry date;
- Inspect the works to ensure they comply with Building Act and regulations;
- Forward the Permit and the plans to the Regulator (Director of Building Control), Building Advisory Services, Department of Lands, Planning and the Environment within seven days of issue.

Before construction starts, the building certifier must:

- Approve all plans;
- Check that a copy of the building insurance / Fidelity Certificate is with the application for the Building Permit (if applicable);
- Issue the Building Permit; and
- Inform the builder of the appropriate notification stages (inspections).

You or your builder (acting as your agent) can engage a building certifier. A list of NT registered building certifiers can be obtained from the Building Practitioners Board website: www.nt.gov.au/bpb

9.3 Insurances

You should ask your builder to provide you with a copy of a certificate of currency to ensure they have, as a minimum, the following insurances (in addition to fidelity fund cover, if it is work that requires that mandatory cover):

- Builder’s all risk insurance;
- Public liability insurance; and
- Worker’s compensation insurance.

Your builder is usually responsible for insuring your home during construction; however this will depend upon your contract. You should read the contract carefully to determine your responsibility.

Insurance is particularly important when renovating a home as household items can be easily damaged during the building process.

You should also check with your home insurer as to whether they will cover your home for damage or loss during the construction period.
10.0 Once construction starts

It is the responsibility of you and the builder, working together, to ensure that the building works are constructed to an acceptable standard of quality and finish. Day to day supervision on site is the responsibility of the builder. Do not give instructions direct to the subcontractors because this will cause confusion and may be in breach of your contract with the builder.

Discuss with the builder any queries or problems you may have about delays, quality of workmanship, or any other issues as soon as they arise.

For anything other than a very minor problem, consider confirming your views in writing to the builder as this may assist you with clarifying the issue at a later time.

10.1 Construction checklist

- You should be given the name and phone number of your contact person in the builder’s office;
- You should only deal with the builder and the builder’s supervisor on-site and not the tradespeople on-site;
- You should confirm all the important agreements or comments in writing during the home building period;
- You should arrange with the builder to access the site for the purpose of inspecting and viewing the works. Check to see what your contract says?
- You should arrange to take photographs of the work at regular intervals, particularly any part of the work that may be of concern to you; and
- You should purchase a diary to record all the day to day happenings, including the time and date of all telephone conversations as well as the name of the person you spoke to and what was discussed.

10.2 Changing the contract

Remember you can only get the materials, size, style and quality of items and works specified in your contract. Any change to the scope of the work to be done under a contract is known as a variation.

You should note that just because a variation may involve deleting some work that was included in the original contract, it does not automatically follow that the price will go down, or that there will not be extra costs involved.

Unfortunately, variations are frequently the cause of disputes (particularly where there is a lack of adequate documentation to support them).

If you wish to request a variation, you should put your request in writing to the builder. The builder should record all variations in writing as soon as practicable. The variation document should:

- Describe the variation;
- State the reason for the variation;
• Provide a reasonable estimate of any delay to the work which may result from implementing the variation;
• State the change to the contract price or at least set out the method for calculating the price change;
• Indicate when any increase in the price as a result of the variation is to be paid or when any decrease is to be taken into account; and
• Be signed by the builder and yourself.

If the variation means additional work, it must be documented BEFORE the work is carried out.

**10.3 Inspections**

Building inspections for residential building works are performed by the building certifier to ensure the work complies with approved plans and recognised building standards including the Building Code of Australia (BCA). The building certifier will tell you when inspections are required and are listed on the Building Permit. It is also a good idea to check what inspections have been included in your contract. Your builder has to let the certifier know when an inspection stage has been reached. If you are an owner-builder, you will need to contact the building certifier and organise these inspections yourself.

The inspection stages for residential building works are outlined below:

<table>
<thead>
<tr>
<th>Inspection stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pre-pour</td>
<td>Before pouring the footings, ground floor slab or other in situ concrete building element</td>
</tr>
<tr>
<td>2 Frame</td>
<td>Before covering the framework for floors, walls, roof or other building element</td>
</tr>
<tr>
<td>3 Block wall</td>
<td>Before pouring any reinforced masonry or block walls</td>
</tr>
<tr>
<td>4 Fire separation (duplex/unit etc)</td>
<td>Before covering walls, floors or ceilings, for the purpose of checking that fire resistance levels comply with the Building Code (see note below)</td>
</tr>
<tr>
<td>5 Wet area</td>
<td>Before covering waterproofing in wet areas</td>
</tr>
<tr>
<td>6 Final</td>
<td>After completing the building work but before issuing an Occupancy Permit in relation to the work</td>
</tr>
</tbody>
</table>

Note: A fire separation inspection may form part of an inspection of the building work carried out at one or more of the other inspection stages.
In addition to these building inspections, there are also mandatory plumbing and drainage inspections prior to covering up those works.

Where the builder has engaged the building certifier as your agent, it is normal practice for the builder to provide you with copies of each certificate of inspection as they are issued. As soon as is practicable after the work is completed, the builder should also provide you with copies of other contract-related documents such as reports, notices or orders issued by suppliers of service, including, for example, electricity, gas, telephone, water or sewerage. Check your contract to see what it says.

10.4 Progress payments

Your builder may ask you to make payments so that they can pay for materials and labour as they go.

Progress payments are usually made at specific stages of a project (e.g. when a slab is laid) and should equate to the value of the work done. Make sure the stages comply with the Building Regulations. This means that the stages should be the standard progress payments, or if you have agreed to different stages and or percentages from the standard, that you have signed a Progress Payment Agreement (which is an approved form).

Never pay for work that has not been performed or pay any money in excess of that required under the contract. Also, make sure that progress payments are for work done and not simply time on the job.

Sometimes the financial institute lending you the money for the work will have special requirements for progress payments. If so, these will need to be included in the contract.

At each stage when a progress payment is required under the contract, the builder will give you a progress claim which you must pay within the number of days stated in the contract.

Prior to payment, carefully check the work is properly completed up to the appropriate stage. If you dispute all or part of the builder’s progress claim, you should consider seeking legal advice.

It is important for you to retain copies of certificates of inspection and other contract-related documents in a safe place. These documents will help you establish that all the building work has been properly performed should you sell your home.

10.5 Completion, handover and final payment

When construction is completed, the builder must sign a declaration stating building works have been carried out in accordance with the Building Permit.

When your builder advises you of the handover date (usually two or three weeks in advance) it is recommended that you arrange a final pre-handover inspection about a week before the handover.

On the actual day of handover you should:

- Check the house thoroughly for defective or missing items;
- Prepare a list of minor defects and minor omissions including details of any items missing, damaged or unfinished. The list should state by when the builder is to correct each agreed minor defect or minor omission. You and the builder should sign the list.
- The defects document should also list separately any minor defects or minor omissions which you believe exist but that are not agreed by the contractor to exist;
• Obtain copies of outstanding documents (e.g. approved certificates, appliance warranties); and
• Receive an Occupancy Permit.

Remember that you have made a financial commitment to your builder to pay in accordance with the conditions of the contract prior to obtaining your house keys.

The builder has a legal responsibility to ensure that the building work is carried out in a proper and workmanlike manner. Most standard industry contracts for building work in the NT include ‘defects liability clauses’, where typically the builder is liable to make good, without additional cost, defects in the home building work notified in writing within a certain number of days from practical completion.

These clauses do not alter the builder’s further obligations in law that a builder may be subject to. For example, for certain building work covered by consumer guarantees under the Building Act, if the owner and builder are in dispute about defective or incomplete work the owner may apply to the Commissioner of Residential Building Disputes and set timeframes apply. For example, an owner has up to a year to apply regarding non-structural defects, and up to six years for structural defects. For more information about the type of work covered, please refer to paragraph 11.1 in this document. The Australian Consumer Law also implies certain guarantees into certain contracts (including domestic building), such as workmanship and fitness for purpose. Such guarantees are implied regardless of whether or not the contract specifies those matters.

A builder and other building practitioners may also have other potential legal liability, for example actions for damages for economic loss and rectification costs resulting from defective work, founded in tort or contract. The Building Act contains a limitation on time for those actions, which is ten years from the date of the issue of the Occupancy Permit, or date of first occupation if no Occupancy Permit is issued.

10.6 Occupancy permit

On completion of building work, you or your builder (if your builder is acting as your agent) must apply to the building certifier for an Occupancy Permit. An Occupancy Permit will be issued if the building certifier is satisfied that the structure is constructed in accordance with the Building Permit and is suitable for its intended use. The building certifier will tell you or the builder what documents need to be lodged with the application and must resolve the application within 20 days.

The building certifier must forward a copy of the Occupancy Permit and accompanying documents to the Regulator (Director of Building Control), Building Advisory Services, Department of Lands, Planning and the Environment, within seven days of issue.

You cannot live in a building unless an Occupancy Permit has been issued.
11.0 Building Disputes

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

- Inaccurate or incomplete documentation;
- Poor communication;
- Unsatisfactory work;
- Delays; and
- Lack of knowledge of building practices.

Your relationship with the builder is like any other business relationship. It carries certain roles and responsibilities and it is important to know what to do and where to go if a problem arises. Good communication is the first step towards finding a resolution.

Building disputes can be classified into four broad groups:

- Professional conduct and other registration issues
- Offences against the Building Act and Regulations
- Consumer guarantee disputes (rectification of defective or incomplete work covered by consumer guarantees)
- Civil / contractual disputes i.e. claims for damages for breach of contract or actions in negligence

Most disputes will contain a number of allegations and fall within the different categories of disputes. It therefore may not be possible for you to contact one organisation to have the entire matter resolved. For example, the Regulator (Director of Building Control), Building Advisory Services, plays an investigative role for disciplinary matters and offences under the Building Act, the Commissioner of Residential Building Disputes may determine Consumer Guarantee Disputes, and the Courts (Small Claims, Local, Supreme) determine contractual disputes and claims in tort.

For detailed information about building complaints and disputes, please visit the page titled ‘Building Complaints and Disputes’ on Building Advisory Services website.

11.1 Consumer guarantees under the Building Act

The Commissioner of Residential Building Disputes (NT) is a dispute resolution body for specific types of residential building disputes. From 1 January 2013, certain building work such as new houses, duplexes, townhouses, units (up to three residential storeys), and extensions to those buildings, are covered by consumer guarantees under the Building Act. Alleged breaches of those consumer guarantees resulting in defective or incomplete work may be determined by the Commissioner of Residential Building Disputes.

There are three types of applications that the Commissioner can consider.

- Consumer guarantee disputes (applications for a binding decision and orders about allegedly defective or incomplete work)
- Technical inspections (appointment of a qualified person to inspect allegedly defective work)
- Mediation or conciliation (facilitation of voluntary mediation or conciliation that could result in a binding agreement, if both parties come to agreement during the conference)

Work that is covered by the consumer guarantees is residential building works of at least $12,000 in value and in connection with the construction of:

- a new Class 1a building (which are houses, duplexes, townhouses) and an extension to a Class 1a building
- a new Class 2 building up to three residential storeys (which are apartments, units, flats) and an extension to a Class 2 building (also only if the Class 2 building does not exceed 3 residential storeys). Extensions and increases in floor area are not specifically defined in the legislation. Fact Sheet 11 titled What is an 'increase in floor area' or 'extension'? is available on Building Advisory Services website and provides the detail about what work is considered an extension (or increase in floor area)
- a Class 10 building (which includes garages, retaining walls, verandahs) attached to a Class 1a or 2 building (under three residential storeys), if the Class 10 building is constructed at the same time as that building
• a Class 10 building that is a retaining wall (whenever constructed) that is not attached to a relevant building but on which the integrity of the relevant building depends
• Building work as described above and done for Defence Housing Australia, requires the cover and is covered by the consumer guarantees

Technical inspections
These applications apply to work that is covered by the consumer guarantees and is made by either the current owner or builder. The applications are a request that the Commissioner appoint a qualified person to inspect alleged defective work.

A technical inspection application must be in the approved form (which is available from NT Consumer Affairs website), and be made within the effective period for the consumer guarantees, along with the prescribed fee.

Mediation / conciliation
The Commissioner’s mediation and conciliation functions, which may be voluntarily accessed by either the builder or the owner, apply in relation to all residential building work. This means that if parties are in dispute about any type of residential building work, either party may apply to the Commissioner to initiate mediation or conciliation. Mediation and conciliation services through the Commissioner are free. Please visit Building Advisory Services, or NT Consumer Affairs websites for more information about this process at www.nt.gov.au/building or www.consumeraffairs.nt.gov.au.

11.2 Building work that is not covered by consumer guarantees under the Building Act
If your work is not the type that is covered by the consumer guarantees under the Building Act, it may be covered by the consumer guarantees under the Australian Consumer Law.

Work that is not covered by the consumer guarantees under the Building Act is:
• Work that has a value of less than $12,000
• Renovations or alterations to an existing building (Class 1a or Class 2 up to 3 residential storeys) that do not increase the floor area of the existing building (unless the renovation is under the same contract with the same builder that is carrying out an extension)
• Prefabricated dwellings
• All other classes of buildings and Class 2 buildings that exceed 3 residential storeys
• Work done for the Northern Territory Government

The builder has a legal responsibility to ensure that the building work is carried out in a proper and workmanlike manner.
The Australian Consumer Law creates a basic set of guarantees for consumers who acquire goods and services from Australian suppliers, importers or manufacturers on or after 1 January 2011. These are intended to ensure that you receive the goods or services that you have paid for.

When you have a problem and one of the guarantees has not been met, you are entitled to a remedy. The type of remedy depends on the circumstances but may include a repair, replacement, refund or having the service performed again.

For further information visit the Australian Competition and Consumer Commission website:


11.3 **Talk to the builder**

If you are experiencing problems with your builder, try to resolve the problem by talking directly with the builder. Quote details from any documentation you may have regarding the matter e.g. contract, quote, invoice or receipt number. Explain the problem and offer a solution which satisfies your complaint. Be calm and courteous; but be firm. Keep a record of your conversations (who you spoke with, date and time).

11.4 **Write a letter to the builder**

If there is no resolution then in a signed and dated letter you should:

- Specify the name and address of you and the builder;
- State the address where the building is located;
- Give specific details of your complaint;
- Quote details from any documentation you may have regarding the matter e.g. contract quote, invoice or receipt number;
- Provide a copy of any documents that relate to your complaint (remember to keep originals);
- Provide a copy of any independent reports you may have obtained regarding your complaint (if applicable);
- State what remedy is being sought (i.e. rectify, compensate, attempt to settle dispute);
- If payment is being sought, specify the amount and how it was calculated;
- Set a reasonable deadline for a response (e.g. 10 working days); and
- Keep a copy of your signed and dated letter.

11.5 **Dispute resolution**

If you are unable to resolve your complaint regarding building work informally, then you will need to find out what your contract says about the process for resolving a dispute. A process for resolving any dispute between you and your builder should be included in your contract.
## 11.6 Take formal action

Please note there may be other processes available to you other than what is listed in the table below. The table is simply a guide to demonstrate certain outcomes that may be achieved through different avenues.

<table>
<thead>
<tr>
<th>Avenue</th>
<th>Possible Outcomes</th>
</tr>
</thead>
</table>
| **Regulator (Director of Building Control), Building Advisory Services, Department of Lands, Planning, and the Environment** | • Investigate allegations that a person has committed an offence against the *Building Act* or Regulations;  
• Commence prosecution if there is evidence of an offence having been committed;  
• Investigate whether there is evidence that the builder is guilty of professional misconduct;  
• Refer evidence of professional misconduct to the Building Practitioners Board for inquiry; and  
• Audit a building practitioner’s work. |
| **Building Practitioners Board** | • Inquire into evidence received from the Director of Building Control;  
• Decide whether a builder is guilty of professional misconduct, negligence or incompetence;  
• Reprimand;  
• Require a builder to pay the Director’s costs in the inquiry;  
• Require the builder to enter into an undertaking (for example, to attend a course);  
• Require the builder to pay a civil penalty to the Territory that does not exceed $5,000;  
• Suspend the builder’s registration; and  
• Cancel the builder’s registration. |
| **Commissioner of Residential Building Disputes (NT)** | For work covered by the consumer guarantees under the *Building Act*:  
• Expert may provide evidence  
• Hear and determine allegations of defective or incomplete work  
• Issue binding rectification order  
• Issue binding order for compensation up to $100,000 (where it is impracticable for an order to rectify)  
• Refer the matter to the Northern Territory Civil and Administrative Tribunal (if for example the matter involves complex legal issues)  
• Appoint a qualified person to carry out a technical inspection  
For all residential building work  
• Facilitate mediation or conciliation (if both parties agree to the process) and if both parties reach agreement, record that agreement which will become binding |
| **Community Justice Centre** | • Binding adjudication between parties for claims under $10,000 made under the *Construction Contracts (Security of Payments) Act*; and  
• Non binding facilitation of mediation for all matters other than claims under the *Construction Contracts (Security of Payments) Act*. |
| **Small Claims Division of the Local Court** | • Actions for amounts under $10,000;  
• Expert may provide evidence;  
• Hear and determine contractual matters relating to payments, breaches of contract (for instance work has not been carried out in a proper and workmanlike manner or in accordance with the Australian Consumer Law, owner has caused the builder a loss of profits due to delay/breach etc;  
• Issue enforceable order for the payment of money;  
• Order a party to return goods that are in his/her possession. |
| **Local Court** | • Actions for amounts between $10,000 and $100,000;  
• Expert may provide evidence;  
• Hear and determine contractual matters relating to payments, breaches of contract (for instance work has not been carried out in a proper and workmanlike manner or in accordance with the Australian Consumer Law, owner has caused the builder a loss of profits due to delay/breach etc;  
• Issue enforceable order for the payment of money;  
• Order a party to return goods that are in his/her possession. |
12.0 Owner-builder

If you decide to be an owner-builder you take on the role of the principal builder and are fully responsible for the supervision and quality of building work as well as payment of tradespeople and suppliers.

As an owner-builder you are responsible for a range of tasks which may include insurance, occupational health and safety of workers on 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 (e.g. electricians, plumbers and gasfitters);
- Contract out all or part of the work to appropriate tradespeople; and
- Engage a building consultant to check the quality of the work.

Advantages of being an owner-builder include:

- Increased control over the whole project;
- Saving the cost of the builder’s margin; and
- More flexibility.

Disadvantages of being an owner-builder include:

- Legal responsibilities for ensuring the site is a safe work environment; and
- You are not able to claim on the Fidelity Certificate, although subsequent owners can.

To check if you have the skills and knowledge to be an owner-builder, ask yourself the following questions:

- Can you interpret detailed plans and specifications?
- Are you able to supervise all construction works?
- Do you have the ability to coordinate the flow of work by sub-contractors to enable you to complete the home within your time schedule and budget?
- Are you able to handle financial or contractual disputes with sub-contractors and suppliers?
- Can you be available on site to receive materials and ensure that they comply with specifications, required quantity and quality?
- Do you have the ability to distinguish technically what is bad building work?
- Do you have the experience to establish the value of work completed to enable you to make accurate progress payments to sub-contractors?
- Do you know how to account for potential material and labour cost increases that may occur during construction?
- Do you know how to organise insurance with your insurance company or broker to cover liability for personal injury and adequate insurance to cover the work against hazards such as fire, storm, damage, theft, public risk and accidents? Have you budgeted for this cost?
- Are you able to estimate the time needed to complete the work?

Consider carefully your decision to become an owner-builder. Unless you are confident that you have the knowledge required to comply with building regulations, including those placed on the Building Permit, you should seriously reconsider if becoming an owner-builder is the right choice for you.

An owner-builder is restricted to building or extending a house and associated building work on a single parcel of land in any six year period. If you intend to carry out building work that is valued over $12,000 and extends the floor area you must obtain an Owner-Builder Certificate from the Building Practitioners Board. The Certificate remains valid for three years from the date it is granted and can be extended for a further three years.
If the land is owned by more than one person, all the owners must apply for the Owner-Builder certificate.

The owner-builder must provide the Owner-Builder Certificate to a registered building certifier in order to obtain a Building Permit PRIOR to commencing the building work.

To obtain an Owner-Builder application form and a copy of the Owner-Builder Manual, please go to the following website: www.bpb.nt.gov.au/forms.shtml

Additional information can also be given by the Building Practitioners Board on telephone (08) 8923 9309.

Some tips are -
- Clearly plan and define the scope of works you want completed by the tradespeople; and
- An owner-builder must, no later than 14 days after completion of the building work, make a legally binding declaration that the building work has been carried out in accordance with the Building Permit.

12.1 Mandatory Residential Building Cover requirements

Before obtaining a building permit and starting work, an Owner Builder must obtain a Fidelity Certificate to cover the work. The cover can be taken out with the Master Builders NT Fidelity Fund. Contact the Master Builders Association on 8922 9680 for details about how to apply and the cost for the cover.

Because you are taking out cover for the benefit of a potential subsequent owner your level of cover is only for defective works (not for non completion of works) and the contribution (like a premium) that you are required to pay is discounted.

You must keep a copy of the Fidelity Certificate and provide a copy to the building certifier. If you sell the building within six years of completion of the building works you should provide a copy of the fidelity certificate to the purchaser.

If the subsequent owner discovers defective work, they may be able to bring an application before the Commissioner of Residential Building Disputes and you may be ordered to rectify the work or pay compensation.

Other Insurances to consider

Other insurances that should be considered by the Owner-Builder include:
- General Insurance;
- Workers Compensation;
- Construction Insurance;
- Key Person Insurance Loan; or
- Mortgage Insurance.

As a minimum, the following insurances are recommended:
- Construction Insurance;
- Public Liability Insurance;
- Key Person Insurance; and
- Workers Insurance (also called Contractors All Risk Insurance).

For information on the above and to consider what key questions you should ask when contacting insurance brokers or insurance companies, please refer to the Owner-Builder Manual.

12.2 Tradespeople

In the NT there is no occupational licensing of trades people in the building industry (except electricians, plumbers and gasfitters). For more information on choosing and hiring trades people; coordinating sub-contractors and occupational health and safety considerations, please refer to the Owner-Builder Manual.
13.0 Termite protection

Builders must, as a minimum, comply with the termite management requirements set out in the Building Code of Australia (BCA). The code requires the wall, roof and floor framing (structural elements) and door jambs, window frames and reveals, architraves and skirting of all new houses be protected to reduce the risk of termite infestation. The BCA sets out the minimum requirements only.

It is important that your builder discusses termite management options and their maintenance requirements (together with any cost implications) with you PRIOR to finalising your contractual arrangements.

To understand what the minimum requirement is under the BCA, and to decide on a preferred termite management system for your home, you should consider the following BEFORE proceeding with building work:

- Is the building in an area where there is a risk of termite attack?
- Will there be any members such as wall, roof and floor framing, door jambs, window frames and reveals, architraves or skirting susceptible to attack?
- Does the contract require termite management, irrespective of the requirements of the BCA?
- What method of termite management will I choose as there a number of options available with varying costs, durability and maintenance requirements?

Chemical systems have a limited life and therefore require a higher degree of maintenance and replenishment. Physical systems (e.g. concrete slabs, exposed slab edge, metal shielding, stainless steel mesh or graded stone) are generally designed to last for the lifetime of the building but require more frequent inspection.

Regular maintenance and monitoring is very important to ensure the effectiveness of termite management systems. You should regularly inspect these yourself, and every 12 months have a licensed pest controller inspect and report on your home.

Regular maintenance and monitoring is very important to ensure the effectiveness of termite management systems.
14.0 Glossary

**Australian Consumer Law (ACL)** – national legislation that defines the rights and responsibilities of traders and consumers.

**Architect** – a qualified person who provides building design and contract administration services.

**Building practitioner** – a person, firm or corporation that is registered with the Building Practitioners Board. The categories of a building practitioner include: building certifier; certifying architect; certifying plumber and drainer; certifying engineer; and building contractor (residential).

There are two different categories for a registered builder. A builder with a restricted registration can construct detached houses, attached dwellings and buildings of not more than two storeys. A builder with an unrestricted registration can construct dwellings of any height.

**Building Act NT** – this Act provides the framework for the control and standards of building in the Northern Territory.

**Building certifier** – a registered building certifier assesses the Application for Building Permit to ensure it complies with the Building Act and the Regulations. The building certifier will issue Building and Occupancy Permits. They will also tell you when inspections are required.

**Building Code of Australia** - the Building Code of Australia (BCA) is produced and maintained by the Australian Building Codes Board (ABCB) on behalf of the Australian, State and Territory Governments. The BCA contains technical provisions for the design and construction of buildings and other structures, covering such matters as structure, fire resistance, access and egress, services and equipment and energy efficiency, as well as certain aspects of health and amenity.

**Building contract** – a legal document 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 work over $12,000 and should be signed by both parties.

**Building Control area** – when building in the Territory properties fall within designated Building Control Areas. Within certain areas (e.g. in the Greater Areas of Darwin and Alice Springs) you require building approval and mandatory staged inspections for building work. In the more distant areas the requirements for mandatory inspections and occupancy permits do not apply in respect of Class 1a detached houses and, in most cases, Class 10 non habitable buildings. To see if a property is within a building control area, please check the following website: www.lands.nt.gov.au/building/regulations/areas

**Building permit** – a building permit is a document issued by a NT registered private building certifier who approves the details of the building work and ensures it complies with building legislation BEFORE construction starts. Building permits are designed to protect your building and, more importantly you.

**Building Practitioners Board** - is a statutory body established by the Building Act and is responsible for: registering builders; establishing and maintaining a system of performance reporting to ensure that information on builders’ past performance is available and can be taken into account when assessing their competence; monitoring builders’ compliance with registration requirements; monitoring builders’ competence and professional conduct; conducting inquiries into builders’ work and conduct and, if necessary, disciplining them; and developing and publishing codes of practice for reference by builders and for use by the Board and the Director in assessing builders’ work and conduct.
Building regulations – provides the technical requirements for buildings in the NT. The relevant technical requirements are set down in the National Construction Code (Building Code of Australia and the Plumbing Code of Australia); and Code of Practice for small on-site sewage and sullage treatment systems and the disposal or reuse of sewage effluent.

Class 1a building – in accordance with the Building Code of Australia, a Class 1A building is a single dwelling being a detached house; or one of a group of two or more attached dwellings (e.g. terrace house, town house, unit).

Class 2 building – in accordance with the Building Code of Australia, a Class 2 building contains two or more sole-occupancy units each being a separate dwelling.

Class 10 building – in accordance with the Building Code of Australia, a Class 10 building is a non-habitable building or structure (e.g. Class 10a – private garage, carport, shed; or Class 10b – fence, mast, antenna, retaining or free-standing wall, swimming pool).

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 an Occupancy Permit.

Completion date – according to the contract, the date when building works must be completed.

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

Defects liability clause – a clause in a domestic building contract that gives the builder a specified period of time to fix defects arising out of contracted works.

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.

Fittings – items that can be removed without damaging the property (e.g. lightings, air conditioners etc).

Fixtures – items that are attached to the property and cannot be removed without causing damage (e.g. basins, toilets, built-in wardrobes).

National Construction Code - The National Construction Code (NCC) is an initiative of the Council of Australian Governments (COAG) developed to incorporate all on-site construction requirements into a single code. The NCC comprises the Building Code of Australia (BCA), Volume One and Two; and the Plumbing Code of Australia (PCA), as Volume Three.

Occupancy permit – permit issued by the building certifier after final inspection showing work has been completed in accordance with the Building Permit. An Occupancy Permit does not necessarily mean that all building work is complete. There may still be associated works in the contract (e.g. paving and landscaping) that are incomplete.

Owner-builder – someone who carries out building on his/her own property and has full responsibility for workplace health and safety, site security, site sanitation, environmental compliance etc because they are taking on the role of a builder.

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.

Development permit – a permit obtained from the Development Consent Authority that relates to the zoning and use and development of the land. This is not always required but, if so, must be obtained before you can be given a building permit by the building certifier.
Progress payments – these can also be called stage payments and are required on completion of each stage of building. In the NT there are specific descriptions of the stages of building that need to be included in a building contract (unless parties agree to a variation and sign a Progress Payment Agreement in the approved form). Those stages are set out in regulation 41HA of the Building Regulations. The approved form for the Progress Payment Agreement can be accessed from Building Advisory Services website at: http://www.lands.nt.gov.au/building/factsheets-forms-faqs/forms

Registered builder – a builder who is registered with the Building Practitioners Board – see definition of ‘Building Practitioner’. Membership of the Housing Industry Association or Master Builders Association 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 and should be sufficient for obtaining a building permit.

Specifications – detailed lists of specific building materials, appliances and fittings to be used in a building or renovation.

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.
15.0 Who to contact

<table>
<thead>
<tr>
<th>name</th>
<th>phone</th>
<th>email</th>
<th>postal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Territory Architects Board</td>
<td>(08) 8923 9312</td>
<td><a href="mailto:ntab@nt.gov.au">ntab@nt.gov.au</a></td>
<td>GPO Box 1680 DARWIN NT 0801</td>
</tr>
<tr>
<td>Building Advisory Services / Director Building Control (NT Dept of Lands and Planning)</td>
<td>(08) 8999 8961</td>
<td><a href="mailto:bas.lpe@nt.gov.au">bas.lpe@nt.gov.au</a></td>
<td>GPO Box 1680 DARWIN NT 0801</td>
</tr>
<tr>
<td>Building Practitioners Board</td>
<td>(08) 8923 9309</td>
<td><a href="mailto:bpb@nt.gov.au">bpb@nt.gov.au</a></td>
<td>GPO Box 1680 DARWIN NT 0801</td>
</tr>
<tr>
<td>NT Consumer Affairs</td>
<td>(08) 8999 1999 or 1800 019 319</td>
<td><a href="mailto:consumer@nt.gov.au">consumer@nt.gov.au</a></td>
<td>GPO Box 40946 CASUARINA NT 0811</td>
</tr>
<tr>
<td>Development Assessment Services (NT Dept of Lands and Planning)</td>
<td>(08) 8999 6046</td>
<td><a href="mailto:das.dpi@nt.gov.au">das.dpi@nt.gov.au</a></td>
<td>GPO Box 1680 DARWIN NT 0801</td>
</tr>
<tr>
<td>Electrical Workers and Contractors Licensing Board</td>
<td>(08) 8923 9307</td>
<td><a href="mailto:electrical.licensing@nt.gov.au">electrical.licensing@nt.gov.au</a></td>
<td>GPO Box 1680 DARWIN NT 0801</td>
</tr>
<tr>
<td>Plumbers and Drainers Licensing Board</td>
<td>(08) 8923 9310</td>
<td><a href="mailto:pdlb@nt.gov.au">pdlb@nt.gov.au</a></td>
<td>GPO Box 1680 DARWIN NT 0801</td>
</tr>
</tbody>
</table>

16.0 Disclaimer

Whilst due care has been taken in the preparation of this document and the information it contains is believed to be accurate, neither the Territory, its officers, employees agents or contractors give any warranty, express or implied, as to the completeness or accuracy of the information.

The information given in this document is for the information of consumers only and should be used as a guide. It is not intended to be exhaustive, or to replace the need for consumers to conduct their own full due diligence. No responsibility will be accepted by the Territory for any loss damage or expense that a consumer may suffer arising from a consumer relying on this document.
# CHECKLIST 1

### Building

☑️ = required  ☒ = not required  ☾ = suggested

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>New house</td>
<td>☑️</td>
<td>☑️</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Removing an Existing House to a new location¹</td>
<td>☑️</td>
<td>☑️</td>
<td>☒</td>
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<tr>
<td>Renovating Bathroom – Changing walls / fixtures / plumbing¹</td>
<td>☾</td>
<td>☑️</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Renovating Bathroom – No change to walls / fixtures / plumbing¹”</td>
<td>☾</td>
<td>☒</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Alterations / Extensions to Existing House – increases floor area¹</td>
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<td>☑️</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Alterations / Extensions to Existing House – No increase in floor area¹</td>
<td>☾</td>
<td>☑️</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Existing House – changing windows / roof¹</td>
<td>☾</td>
<td>☑️</td>
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<tr>
<td>Additions to existing house – Solar hot water systems; skylight; roof vents; satellite dish*</td>
<td>☾</td>
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</tr>
<tr>
<td>Carport / Verandah (to existing house)¹”</td>
<td>☾</td>
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</tr>
<tr>
<td>Garden Shed / Workshop¹”</td>
<td>☾</td>
<td>☑️</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Pergola / Shade Structure¹*</td>
<td>☾</td>
<td>☑️</td>
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</tr>
<tr>
<td>New Fence¹”</td>
<td>☾</td>
<td>☑️</td>
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<tr>
<td>Renovating an existing Fence¹”</td>
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<tr>
<td>New Retaining Wall – supporting building work¹”</td>
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<td>☑️</td>
<td>☑️</td>
<td>☑️</td>
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<tr>
<td>New Retaining Wall – not supporting building work¹”</td>
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<td>☒</td>
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<tr>
<td>Swimming Pools</td>
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</tr>
</tbody>
</table>

¹ Subject to provisions of the *Building Act* regarding type of work

* subject to relevant exemptions policy

**NOTE:** The above table provides a general overview of what building works require a contract; building permits; insurance / fidelity certificate cover and registered builders. As it is not an exhaustive list, it is recommended that advice be sought from a building certifier.
CHECKLIST 2

Before signing a contract

☐ Once you have selected the builder, is the contract in English and legible? Do you understand the contract? Do you need legal advice? Are the contract documents fully completed? There should be no blank spaces and the contract should include everything that has been discussed;

☐ Does the contract include all of the following which are required in the Building Regulations:
  - the building work to be carried out on a single project;
  - the building contractor;
  - the building contractor’s registration number;
  - the extent and the value of the work (all the work you want done should be clearly detailed in the contract and supported by appropriate plans and specifications that you have checked thoroughly. You could consider speaking to someone who has knowledge of construction matters who may be able to advise you whether the contract contains enough detail);
    - if the contract requires the payment of a deposit it must specify the amount which must not be more than 5% of the value of the work;
    - unless parties have agreed to a variation of the standard progress payments, the contract must specify the percentage of the total contracted price payable to the builder after completion of a stage of the work in accordance with the standard progress payments set out in the Building Regulations;
    - if parties agree to a variation of the standard progress payments set out in the Building Regulations, a Progress Payment Agreement must be completed and signed (in the approved form);
    - the amount of each progress payment; sets out a process of resolving disputes between the building contractor and the owner of the land;

☐ Do you understand all the terms and are they clearly defined in the contract? Consider for instance the term ‘lock up stage’ might mean something completely different to you and the builder;

☐ Does the contract specify a start and finish date, or the number of days it will take to complete the work? Consider what happens if there are lengthy delays – are you protected?

☐ What happens if the work is not completed by the builder within the time allowed for in the contract? Will you receive any compensation for any costs/losses (known as ‘liquidated damages’, for example will the builder agree to pay your rent if you are living elsewhere)?

☐ What happens if you are late making a progress payment?

☐ Do you understand your rights to visit the building site for the purpose of inspecting and viewing the works?

☐ If you have informed the builder of any special requirements and finishes, are they clearly written in the contract?

☐ What standard of work do you expect and is this the same standard required under the contract? Consider that your expectations may be different to what is required at law;

☐ Are you or the builder able to make any changes (‘variations’) to the contract once the project has started? If so, you should ensure that any changes to the contract are priced; recorded in writing; supported by plans and specifications (if applicable); and a reasonable estimate of any delay to the work which may result from the variation is provided by the builder;

☐ You should consider approaching your financial lending institution; they may be able to advise you further about progress payments; whether they require inspections at each stage; and/or a valuation service. In some cases they may wish to make the payments on your behalf.
CHECKLIST 3

Before construction starts

□ Has the contract been signed by both parties?
□ Has the builder given you a complete, signed set of the contract documents?
□ Have you provided proof of ownership of the land to your builder?
□ Has the Building Permit been issued?
□ If building in a suburb with development covenants, has the developer’s approval (if applicable), been received by the builder?
□ Is the proposed work on your land and wholly contained within the boundaries of your block; correctly positioned on your block and in relation to your block boundaries; and set out in accordance with the design plans? To be confident that the building accurately conforms to these three things, employ a registered surveyor. The surveyor will attend on site and take measurements to locate block boundaries and then place markers so the builder knows exactly where to commence work;
□ Has confirmation of finance approval been received?
   Your builder may request a copy of the finance approval; and
□ Has the builder invited you to attend a ‘pre-start’ meeting? At that meeting you will be asked to make a number of important decisions about the types of materials and fittings and about colours. If you must make any last minute changes, make them now and not after construction starts unless the contract has been amended accordingly.
CHECKLIST 4

Construction

☐ You should be given the name and phone number of your contact person in the builder’s office.
☐ You should confirm all the important agreements or comments in writing during the home building period.
☐ You should arrange with the builder to access the site for the purpose of inspecting and viewing the works. Check to see what your contract says.
☐ For your own protection, you should only deal with the builder and the builder’s supervisor on-site and not the tradespeople on-site.
☐ You should arrange to take photographs of the work at regular intervals, particularly any part of the work that may be of concern to you.
☐ You should purchase a diary to record all the day to day happenings, including the time and date of all telephone conversations as well as the name of the person you spoke to and what was discussed.
How to Contact Us

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