

Understanding building contracts

Key dates:

- ☒ **30 July 2023**
Registrations for the Resilient Homes Fund program closed.
- ☐ **1 December 2025**
Grant applications for funding close unless funding has already been exhausted.
- ☐ **30 June 2026**
Works to be completed and paid in full.

Important: Registrations for the Resilient Homes Fund are not transferable. If you are planning to sell your home, all works must be completed and payments finalised prior to the sale of your home.

NOTE: Please note the Resilient Homes Fund (RHF) cannot negotiate or settle contracts between homeowners and builders. However, we can provide you with general advice on issues to look out for in a contract.

What is a Building Contract?

The building contract is the legal document between you and your builder. The contract is very important as it sets out the responsibilities of a builder and the scope of work they will undertake for your property.

Please note: If a contract has insufficient detail in relation to building scope, there is a risk that non-resilient materials will be substituted. The RHF may seek a negative variation, at your expense, for non-resilient work. It is your responsibility to make sure the contract is filled out properly before you sign it.

Understanding your contract

Understanding the contract with your builder is essential. Before you sign a contract, be sure to raise any questions you have about the works to be undertaken.

Your contract must detail:

- » The scope of works
- » The timing of works

- » Payment milestones
- » References to supporting documents, including approved quotes (with reference number and date), Value for Money certificate, plans or material schedules.

Once you have entered into a contract, the responsibility to manage the obligations of the contract lies between you and your builder.

A valid contract must be:

- » In writing, dated and signed by you (or someone authorised to act on your behalf) and your builder
- » Comply with Schedule 1B of the QBCC Act, which states a valid contract must include:
 - » Your name and the name and licence number of your builder
 - » A description of the contracted work
 - » The contract price/estimate
 - » The estimated completion date
 - » Building plans and specifications
 - » Advice of your cooling-off rights including how and when you can withdraw from the contract.

What is a Scope of Works?

The Scope of Work provides a description of the contracted work that is to be undertaken and includes details around materials, quantities, labour and costs. Works will only be funded to the level approved in the Value for Money (VFM) certificate. All included works must be completed prior to requesting the final inspection.

Changes in scope or cost must be sent to the RHF for approval as a variation. The building contract will outline how a variation will work. The RHF will not pay for non-approved or non-resilient works.

Variations to building works

What are 'variations' and how do they affect my contract with my builder?

Sometimes works contracts need to be updated due to unforeseen circumstances or problems encountered during construction, such as poor site



conditions, non-availability of material or delays. A homeowner may also request changes to an existing plan due to a preference for a building material or design or to address a building issue.

These works changes are called ‘variations’ and can affect the design, building methodology, or building materials supply. Variations to the original scope of building works may lead to an increase in the contract price.

Negative variation: is a change that reduces the scope of work such as incomplete works or reduced costs.

Incomplete works: If there are included works that have not been completed, a “Variation request” must be lodged to account for unused, previously approved funds. QRIDA can supply a Variation Request form and further details on how to proceed.

Additional works: If additional works are to be included, they must be subject to an approved Variation request prior to proceeding.

What are my builder’s obligations around works variations?

Any variations in your contract, no matter how minor, must be documented in writing by your builder. The QBCC Act requires that before a builder commences any variation to the original contracted work:

- » The builder must present the variation to the homeowner in writing; and
- » Homeowners must agree to this variation in writing. Your builder should be aware of this requirement as it protects both parties if a variation is required.

NOTE: All variations must be assessed and approved by QRIDA. If a variation is not submitted, the items which have changed may not receive funding under the Resilient Homes Fund.

Please be aware that if a variation is to rectify defective or non-completed works it may not be eligible for funding under the fund.

If you think a variation is required, submit the written variation to QRIDA and we will complete a Value for Money assessment for the works.

What are my builder’s obligations around incomplete or defective work?

Information about builders’ obligations to rectify defective building works can be found in the general conditions of your contract.

I just have a small resilience project, do I need a contract?

If your resilience works are valued under \$3,300 (including labour, materials and GST), you don’t need a contract, but you should still have something in writing signed and dated by you and your builder.

QBCC has a small building project contract you can download for free:

qbcc.qld.gov.au/your-property/build-reno/contracts-payments

If your works are more than \$3,300 (including labour, materials and GST), you must have a written contract.

Visit QBCC for more information:

qbcc.qld.gov.au/non-compliance/consequences-noncompliance/direction-rectify

QBCC Consumer Building Guide

If the building works cost \$20,000 or more, your builder must also supply you with QBCC’s Consumer Building Guide.

This guide details your builder’s contractual obligations and includes a checklist to confirm you have noted and understood everything. Your builder should ask you to read, sign and date the guide as evidence that they have met this obligation.

The guide also provides useful information about building contract issues, managing disputes and common pitfalls to avoid.

Get the QBCC Consumer Building Guide:

qbcc.qld.gov.au/running-business/contracts/domestic-building-contracts



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Before you sign the contract

- » Check the estimated completion date. It must not exceed **30 June 2026** when all works must be completed by and paid in full.
- » Check the total contract price and understand the deposit and payments schedule.
- » Check the contract schedule, building plans and specifications, and any general and special conditions.
- » Seek legal advice with a practising solicitor if there is anything you think needs closer examination.
- » Raise any questions or concerns you have about the scope of work or the terms of the contract before you sign it.

What are my responsibilities as the homeowner?

It is your responsibility as the homeowner to ensure that any resilience works carried out on your home reflect the resilience works that were approved by the Resilient Homes Fund.

Each time you apply for a milestone payment, you will need to sign a declaration form stating that you are satisfied with the quality of the works that have been completed. If you are concerned there are issues with the work, you should seek advice from your builder, or engage with the building certifier or an independent expert, before making a payment claim.

What design codes and standards do I need to be aware of?

Works must align with the Industry Design Guideline for Flood Resilient Homes, which is based on existing Australian building standards. These guidelines provide examples of how standard construction techniques and materials can be applied in different ways to enhance resilience (for example using water-resistant wall linings or wet-proofing living areas).

All works should also be completed in accordance with the National Construction Code (NCC) for residential housing and relevant building standards.

The NCC is a performance-based code that sets the minimum required levels for the safety, health, amenity and accessibility of new building works or new plumbing and draining works in existing buildings. The primary users of the NCC include architects, builders, plumbers, building surveyors, hydraulic consultants, engineers and other building and plumbing related professions and trades.

I've signed the contract, what's next?

Once your contract has been checked, signed and dated by you and your builder, you are ready to submit it to the Queensland Rural and Industry Development Authority (QRIDA) either via the QRIDA portal or via post or email.

QRIDA email: RHAS@qrda.qld.gov.au

QRIDA post:

Queensland Rural and Industry Development Authority GPO Box 211, BRISBANE QLD 4001

Tip: Keep your building contract in a secure, but convenient, place. You may need to refer to your contract during building works to verify project details.

I need more advice

If you have a question about your resilience works, such as understanding your contract or variations to building works, call the Resilient Homes Fund on **07 3007 4485** and **select option 2** to arrange a one-on-one appointment.

Need help?

If you have questions and want to talk to someone about your property and your individual circumstances, call **07 3007 4485** and select **option 2** to arrange a one-on-one appointment.

For more information visit

qld.gov.au/resilienthomes

If you require the assistance of an interpreter, phone **1800 512 541**.

Our compliments and complaints management policy and procedure can be found at housing.qld.gov.au/contact/complaints-compliments



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