

Building definitions

A

Architect

A qualified person who is registered with the Architects Registration Board of Victoria to provide building design and contract administration services.

Australian Consumer Law and Fair Trading Act 2012

Administered by Consumer Affairs Victoria, this Act protects consumers against illegal behaviour by traders, such as goods or services not fit for purpose, or misrepresentation of goods and services.

Licensed asbestos removalist

A person registered with WorkSafe Victoria to undertake friable and/or non-friable asbestos removal work in accordance with their licence specifications.

B

Building Act 1993

Administered by the Victorian Building Authority (VBA), this Act provides for the regulation of building and construction standards. For more information, visit the [VBA website \(http://www.vba.vic.gov.au/\)](http://www.vba.vic.gov.au/).

Builders warranty insurance

Now known as domestic building insurance.

Building consultant

An expert experienced in designing and/or constructing buildings. Before you engage a building consultant, ensure they have relevant experience and qualifications to complete the work you want them to do.

Building contract

A legal document under the *Domestic Building Contracts Act 1995* that forms an agreement between the builder and consumer about home building, renovating, extensions and repairs. It must be written in English, usually includes plans and specifications required for most domestic building work over \$10,000 and should be signed by both parties.

Building inspector

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

Building permit

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

Building practitioners

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

Building Practitioners Board

The Building Practitioners Board has been abolished and its functions and powers transferred to the Victorian Building Authority (VBA), including registering building practitioners, issuing certificates of consent to owner-builders, and supervising and monitoring practitioners' conduct and capacity to practise.

For more information, visit the [VBA website \(http://www.vba.vic.gov.au/\)](http://www.vba.vic.gov.au/).

Building regulation

Building regulations outline the standards for buildings in Victoria. The regulations are created under the *Building Act 1993* and administered by the Victorian Building Authority (VBA). For more information, visit the [VBA website \(http://www.vba.vic.gov.au/\)](http://www.vba.vic.gov.au/).

Building surveyor

A person registered with the Victorian Building Authority as a building surveyor. Qualified to issue a building permit, inspect for compliance with the *Building Act 1993* and building regulations and issue occupancy permits or certificates of final inspection, which mainly relate to health, safety and amenity requirements. Building surveyors do not supervise work or compliance with the contract.

C

Certificate of final inspection

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

Completion

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

Completion date

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

Conveyancer

A person who is licensed and can assist a building owner to transfer legal interest in a property to a purchaser. Lawyers can also assist with the conveyance of property.

Cooling-off period

A period of five business days after the consumer receives a signed copy of the building contract, during which they can change their mind. The cooling-off period starts from the date the consumer received the signed copy, regardless of when the contract was signed.

If the contract did not include the cooling-off period notices required by law, the consumer has seven days after realising the contract should have included the cooling-off notice, to change their mind. The consumer does not get a cooling-off period if they:

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

D

Defects

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

Defects liability clause

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

Domestic Building Contracts Act 1995

Sets out minimum terms and conditions for domestic building contracts and implied statutory warranties for all contracts. It sets out specific requirements for major domestic building contracts (over \$10,000) provides frameworks for paying deposits and stage payments, and for resolving domestic building disputes. This Act is administered by Consumer Affairs Victoria.

Domestic Building Dispute Resolution Victoria (DBDRV)

An independent government agency that provides free services to help resolve residential domestic building disputes.

DBDRV can help resolve disputes concerning:

- construction
- alterations and renovations
- extensions
- associated building work such as garages, driveways, swimming pools and spas
- demolition; and
- some types of home repairs.

For more information, visit the [DBDRV website \(https://www.dbdrv.vic.gov.au/\)](https://www.dbdrv.vic.gov.au/).

Domestic building insurance

Previously known as builders warranty insurance. Domestic building insurance (DBI) taken out by the builder for works over \$16,000 (except for tradespeople who do not require registration where works cover only one trade). DBI only covers you if your builder has died, is insolvent or has disappeared. In these cases it covers structural defects for six years and non-structural defects for two years. The builder must be eligible for domestic building insurance to be registered. Your builder should provide you with a certificate of currency for an insurance policy that applies to work on your home.

Draftsperson / designer

A person registered with the Victorian Building Authority to provide drafting and associated services.

E**Engineer**

A person registered with the Victorian Building Authority as an engineer who is qualified to undertake the design, documentation, supervision, inspection and certification of buildings.

F**Fittings**

Items, for example garden ornaments, lighting or air conditioners which can be removed without damaging the property.

Fixtures

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

Foundation data

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

L**Liquidated damages**

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

O**Occupancy permit**

Issued by the building surveyor after final inspection of the home; it shows that the building is safe and suitable for occupation. This is essential for the future sale of the home. An occupancy permit does not necessarily mean that all building work is finished: there may still be associated works in the contract, such as paving and landscaping, to be completed. You are not required to make your final payment until all work is complete, despite being given an occupancy permit.

Owner builder

Someone who carries out building on his/her property. Owner builders are not in the business of building. An owner builder must obtain a certificate of consent from the Victorian Building Authority in order to obtain a building permit to carry out domestic building work valued over \$16,000.

P

Planning permit

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

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.

Prime cost item

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

Professional indemnity insurance

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

Progress payments

Also called stage payments, required on completion of each stage of building under the *Domestic Building Contracts Act 1995*. If, in unusual circumstances, an alternative payment process is agreed to, progress payments are required as stated in the contract.

Provisional sum

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

R

Registered builder

A builder registered with the Victorian Building Authority to complete limited or unlimited work. Membership of the Housing Industry Association or Master Builders Association of Victoria is not the same as registration.

S

Scope of works

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

Soil tests

Also called a geotechnical report, these are tests carried out on the site to find out the type of soil and the depth necessary for solid, stable footings. These will affect the design and cost of building your home (see also Foundation data).

Specialist building lawyer

A qualified lawyer who has experience in building matters.

Specifications

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

Stages of building

Base stage:

(a) Home with a timber floor – when the concrete footings for the floor are poured and the base brickwork is built to floor level.

(b) Home with a timber floor with no base brickwork – when the stumps, piers or columns are completed.

(c) Home with a suspended concrete slab floor – when the concrete footings are poured.

(d) Home with a concrete floor – when the floor is completed.

(e) Home for which the exterior walls and roof are constructed before the floor is constructed – when the concrete footings are poured.

Frame stage:

When a home's frame is completed and approved by a building surveyor.

Lock-up stage:

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

Fixing stage:

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

V

Variations

Changes agreed to by the owner and builder made to the building plans and specifications within the contract, after the contract has been signed.

Victorian Building Authority (VBA)

The VBA registers and regulates building practitioners (including registration and licensing for works over \$10,000) and plumbers.

For more information, visit the [VBA website \(http://www.vba.vic.gov.au/\)](http://www.vba.vic.gov.au/).

Victorian Civil and Administrative Tribunal (VCAT)

VCAT is an independent appeal body that may require mediation and tribunal hearings to resolve disputes between consumers and building practitioners/tradespeople.

For more information, visit the [VCAT website \(https://www.vcat.vic.gov.au/\)](https://www.vcat.vic.gov.au/).

Victorian Managed Insurance Authority (VMIA)

The VMIA offers domestic building insurance (DBI) for builders in Victoria, which provides cover to homeowners for incomplete or defective building work.

Builders in Victoria must take out DBI, also known as builder's warranty insurance, for work valued at more than \$16,000.

For more information, visit the [VMIA website \(https://www.vmia.vic.gov.au/\)](https://www.vmia.vic.gov.au/).

Volume builders

Companies that build large numbers of houses based on display home models.

Z

Zones

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

The department acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders, past and present.

