



# INFORMATION SHEET

## Workplace Services

Current at date: 19 February 2015  
Reference: SFSCON1166

### **SA- Excluding works from your building contract?**

*How often has an owner changed their mind and asked you to remove certain works from a job?  
Have you excluded these works from the contract properly?*

When carrying out domestic building works valued at \$12,000 or more, it is important to properly document any variations or changes to the contract to ensure compliance with the *Building Work Contractors Act (SA) 1995*. Such variations are not just when an owner wants extra works but also include exclusions and deductions from the agreed scope of works. If you do not properly exclude works from your contract, you may still be held liable for the quality of the works carried out - when they are directly done by the owner or other contractors and for any potential defects.

#### **Variation process**

Once you have agreed to a variation with your client a variation document should be prepared in writing. It should include:

1. Details of the variation work to be carried out or omitted;
2. The price of the variation (for exclusions this may include a deduction in the overall contract price);
3. When this price is payable;
4. If there will be a delay because of the variation; and
5. If there is a delay, a reasonable estimate of the delay.

Importantly the client must sign and initial the document for it to be enforceable. HIA publishes variation documents which are available from HIA Stationary by calling (08) 8340 5902.

When considering variations that exclude works under your contract, you should take into account whether or not the contracted works will still comply with the Building Code of Australia, and Council requirements. For example, if an owner wants you to build a deck but they now wish to complete the railings and balustrading, you could be liable for leaving the works in an unsafe manner.

In such circumstances you should reconsider the removal of the entire works from the contract or refuse the variation request. HIA's contracts reflect the builder's right of refusal of a variation in such circumstances.

***For more information contact a HIA Workplace Adviser on 1300 650 620***

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DISCLAIMER - The above is intended to provide general information in summary form. The contents do not constitute specific advice and should not be relied upon as such. Formal specific advice should be sought by members with respect to particular matters before taking action.

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