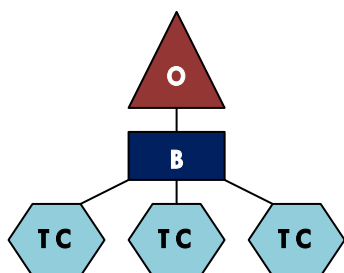


# Contractual Chain Scenarios – responsibilities of each party

## Contractual Chain 1



**O = Owner / Developer**

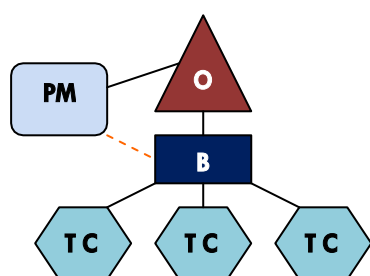
**B = Builder** – The builder is contracted by the owner to carry out building work

- **B** must have an active builder contractor's licence in the correct licence class for the work being performed (s42 QBCC Act)
- **If domestic building work** - **B** must comply with the Schedule 1B of the QBCC Act regarding contracts with the **O**, unless the **O** holds an Owner Builder Permit for the work. **If not domestic building**, work **B** must comply with Part 4A of the QBCC Act [especially s67G(4)] in the contract with **O**
- **B** must also comply with Part 4A of the QBCC Act regarding contracts with trade contractors (**TCs**)
- **B** must ensure that all building work carried out on the project is both personally supervised and personally supervised in accordance with the QBCC Act (s 43 and s43A).

**TC = Trade Contractors** are subcontracted by the builder to physically carry out the building work

- **TC** must hold an active trade contractor's licence in the correct licence class for the work being performed
- Contracts between **B** and **TC** must comply with Part 4A of the QBCC Act (**Note:** all subcontracts are excluded from the definition of a *domestic building contract* under s3 of Schedule 1B of the QBCC Act, even where the work involves a duplex or home)
- **TC** must ensure that all work carried out under their licence is both personally and adequately supervised in accordance with the QBSA Act. (s 43 and s 43A QBCC Act)

## Contractual Chain 2



**O = Owner / Developer**

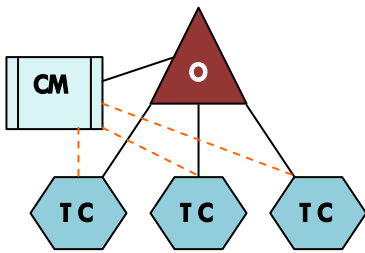
**B = Builder** – responsibilities and roles same as contractual chain 1 (see above)

**TC = Trade contractor** - responsibilities and roles same as contractual chain 1 (see above)

**PM = Client-side Project Manager** - Provides administration services to the **O** concerning the building work;

- **PM** must have an active builder contractor's licence in the correct licence class for the work being managed or hold a *Builder Open – project management services* class contractor's licence (Section 42 QBCC Act)
- **PM** not able to supervise or manage building work carried out by **B** or **TC**
- No contract between **PM** and **B** or **PM** and **TC**
- **PM** generally may liaise with **B** on behalf of **O** for administration services
- **PM's** contract with **O** must comply with the Schedule 1B of the QBCC Act if it is for domestic building work, or Part 4A of the QBCC Act if it is not for domestic building work

### Contractual Chain 3



#### O = Owner / Developer

- **O** cannot provide building work services such as supervisory or management services for the work or personally perform building work (s 42 QBCC Act)
- **O** can directly engage and pay **TCs** (i.e. no requirement for **O** to engage or pay **TCs** through **CM**, although **CM** may engage **TCs** on behalf of **O**)
- S67V of the QBCC Act requires that construction management contracts between **CM** and **TCs** or between **O** and **TCs** must contain the warning set out in s32 of the QBCC Regulation 2003 and **TC** must initial the warning

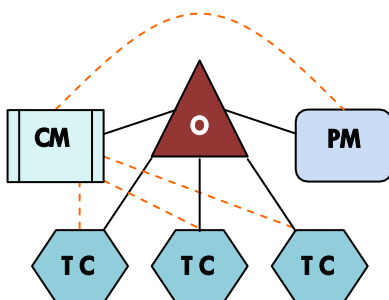
**CM = Construction Manager** - **CM** is contracted by **O** under a construction management contract to provide construction management services for work carried out by **TC's**.

- **CM** must have an active builder contractor's licence in the correct licence class for the work being managed
- **CM** must ensure all work construction managed by the **CM** is both personally and adequately supervised in accordance with the QBSA Act (s43B and 43C)
- If domestic building work, contract between **O** and **CM** must comply with Schedule 1B of the QBCC Act, if not domestic building work it must comply with Part 4A of the QBCC Act

**TC = Trade Contractor** engaged under construction management trade contract with **O** to carry out the work.

- **TC** must hold an active trade contractor's licence in the correct licence class for the work being performed
- If domestic building work, the contract between **TC** and **O** must comply with Schedule 1B of the QBCC Act unless **O** has an owner builder permit. If not domestic building work, or if **O** has an Owner Builder Permit, the contract between **T** and **O** must comply with Part 4A of the QBCC Act
- **TC** must ensure that all work carried out under the **TC's** licence is both adequately supervised and personally supervised in accordance with the QBCC Act (s 43 and s 43A)

### Contractual Chain 4



#### O = Owner / Developer

**CM = Construction Manager** - responsibilities and roles same as Contractual Chain 3 (see above).

**PM = Client-side project manager** - responsibilities and roles same as Contractual Chain 2 - **PM** may liaise with **CM** on behalf of **O**.

**TC = Trade Contractor** engaged under construction management trade contract with **O** to carry out the work - responsibilities and roles same as Contractual Chain 3 (see above).