



Red Earth
Building Inspections

Pre-Inspection Agreement Terms & Conditions

At Red Earth Building Inspections, we realise that purchasing or building a property can be a daunting and potentially stressful experience and our aim is to provide our Clients with peace of mind during the process by providing a building inspection report/s which meets their requirements, expectations and needs.

To ensure that our Clients get the building report they require and expect, we endeavour to explain the differences in the reports we provide during any telephone enquiries, on our website and for the avoidance of any doubt we have detailed the purpose, scope, limitations and Terms and Conditions of our standard building inspection reports in the following Pre-Inspection Agreement.

We encourage you to read the Pre-Inspection Agreement Terms and Conditions when selecting the building inspection/s which best suits your needs. If you have specific requirements for either a pre-purchase or new build inspection report which are not included in our standard building report scope of works, please discuss with us when booking the inspection and we will advise if we accommodate your specific building inspection requirements prior to undertaking the inspection.

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1.0 Parties to the Pre-Inspection Agreement

Any person or entity who requests, purchases and relies upon the contents of the following standard Building or Timber Pest Inspection Reports offered by Red Earth Building Inspections does so acknowledging that the following terms, conditions and clauses, which define the specific purpose, scope and limitations of the various standard building inspection reports or timber pest inspection report shall be applicable and are agreed by the Client prior to the Inspection being undertaken as requested.

This pre-inspection agreement is between:

Skymax Construction Pty Ltd t/a RED EARTH BUILDING INSPECTIONS which is the business that you have requested to carry out the property inspection and Report. **(REBI/Our/Us/We/Firm)**

And

Any person or agent or entity that ordered the report by completing the REBI online booking form and/or arranged the inspection via email correspondence with REBI **(Client, Purchaser/Buyer/ /Owner/ You/ Your)**

Please refer to the specific section of these pre-inspection agreement terms and conditions for full details of either the Pre-purchase Building/ Timber Pest Inspections, New Build Progress Claim Inspections or Practical Completion Inspections offered by REBI.

2.0 Pre-Purchase Building Inspections Types/ Levels of Pre-purchase Building Inspections and Reporting

We offer two levels or types of Pre-Purchase Building Inspection Reports to our Clients as listed below in items A & B.

A) Structural Building Inspection Report

Where the Client requests and requires only an assessment of the structure of the property, the purpose of the inspection shall be limited to a visual assessment of the accessible areas of the property to identify major defects to the building structure and to form an opinion regarding the general condition of the structure at the property only in accordance with Appendix A of AS 4349.1 and this Pre-Inspection Agreement.

Specifically, the pre-purchase Structural Inspection Report will not contain any assessment or an opinion regarding the following:

Any non-structural element, e.g., roof plumbing and roof covering, general gas, water and sanitary plumbing, electrical wiring switches and installations, partition walls, cabinetry, windows, doors, glazing, trims, fencing, balustrades, handrails and stair treads and risers, minor detached structures such as garden sheds etc, pergolas or unenclosed structures, non-structural damp issues, ceiling linings, insulation, window treatments such as blinds, curtains, shutters etc, floor coverings, the site including paths, fences, pool fences, garden retaining etc, decorative finishes such as plastering, painting, tiling, wallpaper etc,

For further details of the specific limitations of this inspection under AS 4349.1 Appendix A, please refer to section 2.1 of these Pre-Inspection Agreement Terms and Conditions.

Or

B) Comprehensive Building Inspection Report

Where the Client requests a **Comprehensive Building Inspection**, this prepurchase inspection shall comprise a visual assessment of the property to identify not only structural defects but also major and minor defects to other building elements and to form an opinion regarding the general condition and maintenance requirements of the building elements at the property at the time of the inspection. The Comprehensive Building Inspection will be in accordance with Appendix C of AS 4349.1.

Full details of the specific limitations of this inspection under AS 4349.1 Appendix D can be found in section 2.2 of these Pre-Inspection Agreement Terms and Conditions.

Please refer to your booking form confirmation email and/or tax invoice as to whether you have purchased a Structural or a Comprehensive Pre-purchase Building Inspection Report. If you are in any doubt as to the report type you require or have requested, please contact Red Earth Building Inspections prior to the time of the inspection to clarify or confirm the scope of the inspection.

2.1 Pre-Purchase Building Inspections Key Terms and Conditions

A) Inspection Standard & Conditions: The inspection and reporting shall be in accordance with the requirements AS 4349.1 – 2007 Inspection of buildings, Part 1: Pre-Purchase inspections – Residential buildings, and the following Pre-Inspection Agreement Terms and Conditions and clauses which define the purpose, scope, limitations and general conditions of the pre-purchase inspections and reports offered by REBI.

B) Visual Inspection: This is a visual inspection only, limited to those areas and sections of the property that are fully accessible and safe to access and visible to the inspector at the time of inspection.

C) Purpose: The purpose of the pre-purchase inspection report is to provide advice to the prospective Purchaser/ Buyer / Client named in the report regarding the condition of the property at the time of the inspection. The purpose of the pre-purchase inspection will either be limited to a Structural assessment only or shall be a Comprehensive inspection as requested by the Client at the time of making the booking.

D) Acceptance Criteria: The building shall be compared with a building that was constructed in accordance with the generally accepted practice at the time of construction and which has been maintained such that there has been no significant loss of strength and serviceability.

E) Strata Properties Limitations: If the property is part of a Strata or Company Title, then Appendix "B" of AS 4349.1 applies and the inspection is limited to the interior and the immediate exterior of that particular residential dwelling. The inspection does not cover common property.

F) Issuing of Reports: Building Inspection Reports are issued to the email address provided by the Client (in PDF format) only after payment has been received by REBI. Reports are issued within 24 hours of the inspection.

G) Issuing of Reports to Third Parties: Red Earth Building Inspections only issue reports to our Clients. It is our Clients' responsibility to issue the report to third parties as they see fit and as required to meet any contractual requirements, obligations, and deadlines applicable to contracts they have entered into with others in order to purchase the property.

H) Validity Period of the Report: The pre-purchase inspection report and any other attached report should not be relied upon if the contract for sale becomes binding more than 30 days after the date of the initial inspection. A re-inspection after this time is recommended as the condition of the property could have changed.

I) Cost Estimates: We do not provide cost estimates for the minor or major defects identified in the report. This is outside the scope of pre-purchase inspection reports under AS 4943.1. We strongly recommend you obtain quotes for repairs from licensed tradespeople or a registered builder or seek cost estimates from a Quantity Surveyor.

J) Not a Marketing Tool: Our pre-purchase inspection reports are not intended to be used as a marketing tool by real estate agents or others. This report shall only apply to the Client, as it is assumed and agreed that the person who orders the report is the person purchasing the property inspected. Where a pre-purchase inspection report is ordered on behalf of a Client it is assumed that these Terms and Conditions and the details of the Pre-Inspection Agreement have been fully explained and provided to the Client by the person or entity ordering the report on behalf of the Client.

K) Unauthorised Building Work: This report does not include the identification or any investigation of whether any unauthorised building work that may have been undertaken at the property.

L) Residual Current Devices (RCD's) and Hardwired Smoke Alarms: It is a legislative requirement that all residential properties being sold in W.A. have compliant Residual Current Devices installed to the designated power and lighting circuits at the property at the time of the sale. It is also a legislative requirement that all residential properties being sold in W.A. have compliant hardwired smoke alarms which are under 10 years old at the time of the sale.

Both the Pre-purchase Structural Inspection report and Pre-Purchase Comprehensive Building Inspection report offered by Red Earth Building Inspections include a visual assessment of the hardwired smoke alarms and residual current devices (RCD's) at the property in accordance with these terms and conditions.

However, we are not electricians and ultimately cannot guarantee to the RCD's or hardwired smoke alarms being Compliant with legislative requirements at the property. We strongly recommend that you request an Electrical Compliance Certificate from the Seller for the property via a licensed electrical contractor prior to settlement regarding the RCD's or hardwired smoke alarms at the property.

M) Key Definitions: The following definitions from AS 4349.1 are provided for Your reference:

Major Defect: A defect of significant magnitude where rectification must be carried out in order to avoid unsafe conditions, loss of amenity or further deterioration of the property.

Minor Defect: A defect other than a major defect.

Structural Defect: Fault or deviation from the intended structural performance of a building element.

2.2 Pre-Purchase Building Inspections

General Conditions

1) SAFE AND REASONABLE ACCESS: Areas for Inspection shall cover all safe and accessible areas. However, only areas to which safe and reasonable access is available at the time of the inspection will be inspected. The Australian Standard AS4349.1 or AS4349.0 defines reasonable access as "areas where safe, unobstructed access" is provided and the minimum clearances specified below are available, or where these clearances are not available, areas within the inspector's unobstructed line of sight and within arm's length. Reasonable access does not include

removing screws and bolts to access covers, the use of destructive or invasive inspection methods, cutting or making access traps, moving furniture, floor coverings, roofing tiles or stored goods/items.

Roof Interior: Access opening 400 x 500 mm. Crawl Space 600 x 600mm. Height accessible from a 3.6m ladder.

Roof Exterior: Must be accessible from a 3.6m ladder placed on the ground.

Subfloor: Access opening 400 x 500 mm. Crawl Space 600 x 600mm. Subfloor areas will not be inspected if sprayed with chemicals unless it is safe to do so.

2) AREAS TO BE INSPECTED: This report is limited to (unless otherwise noted) the main structure on the site including attached structures such as carports, garages, alfresco areas, verandas or balconies.

Where present and accessible, the Inspection shall include:

- (a) The interior of the building.
- (b) The roof space.
- (c) The exterior of the building.
- (d) The sub-floor space.

(The inspection of sub-floor areas is not included within the standard REBI pre-purchase inspection package rates. An additional fee is required. Please refer to our website and booking form or discuss with Us if You have any queries.)

- (e) The roof exterior

(Not inspected as part of the Structural inspection. Roof cladding, guttering and flashings etc are not structural elements.)

- (f) The site within 30 m of the building subject to inspection.

(Not inspected as part of the Structural inspection. Paths, fences, landscaping retaining etc are not structural elements. However, retaining walls which in the Inspector's opinion support or relate directly to the foundations of the primary residence, and stormwater drainage and surface water concerns which may affect foundation stability will be reported on in the structural inspection.)

3) NOT A CERTIFICATE OF COMPLIANCE: This report is not an all-encompassing report dealing with the building from every aspect. It is a reasonable attempt to identify any obvious or significant defects apparent at the time of the inspection. Whether or not a defect is considered significant depends to a large extent upon the age and type of the building inspected. This report is not a certificate of compliance with the requirements of any act, regulation, ordinance, Australian Standard, the National Construction Code (current or past) or by-law. This pre-purchase inspection report does not reference specific Australian Standards or the National Construction Code for non-conformance items either at the time of construction or presently and this inspection is a general appraisal only. This report is not intended to be used as an expert witness report by the Client or any other person in any future proceedings or claims beyond satisfying the immediate requirements of the REIWA Australian Standard Pre-Purchase Structural Inspection Condition or other similar pre-purchase inspection condition applicable to the use of this report by the Client named in this report. Detailed expert witness reports which can be used in Building Commission or State Arbitration Tribunal (SAT) proceedings and claims can be provided for an additional cost (scope and cost to agreed prior to the inspection by separate agreement) if required and specifically requested by the Client.

The inspection is not a structural engineer's report and is not undertaken by a licensed or practising structural engineer. Should you require advice of a structural engineering nature such as to confirm structural member size adequacy or structural certification of a structure or structural element etc you should contact a licensed and practising structural engineer.

4) VISUAL INSPECTION: This is a visual inspection only, limited to those areas and sections of the property that are fully accessible and safe to access and visible to the inspector at the time of inspection.

4A) Where a complete inspection of some areas listed in the report may not have been physically possible (due to but not limited to: storage, furniture, beds, personal belongings in cupboards and/or wardrobes, the second storey roofing, gutters, fascia, flashings and the like, low clearance in sub floor or roof void areas, ducts and deep insulation restricting access in roof voids, sub floor restrictions including plumbing, ducts, low clearance, no access doors or access doors too small or other access restrictions) then it follows that defects may exist in these areas which cannot be seen. To adequately inspect these restricted areas an invasive inspection would be required including (for example) ducting, insulation and floorboard removal, moving furniture, cupboards and wardrobes emptied etc. We do not undertake invasive pre-purchase inspections including movement of furniture, unscrewing access hatches, dismantling works, removal of insulation, floor coverings, clothes, stored items, occupant possessions etc.

This Firm DOES NOT GUARANTEE IN ANY WAY that there ARE OR ARE NOT any defects in any areas that could not be visually inspected. To obtain a full understanding of the report findings, it is essential you read the entire inspection report, including the property and inspection information sections in the report and we encourage you to call the Inspector if you have any queries at all regarding the inspection or the report.

4B) Roof Void limitations to safe access:

Insulation: Entering attics or roof voids that are insulated can cause damage to the insulation and attic framing. Attics or roof voids with deep insulation cannot be safely inspected due to limited visibility of the framing members upon which the inspector must walk. In such cases, the attic or roof void is only partially accessed, thereby limiting the review of the attic or roof void area from the hatch area only.

Inspectors will not crawl or enter in the roof void area when they believe it is a danger to themselves or that they might damage the roof void insulation or framing. There is a limited assessment of the roof void viewed from the hatch only in these circumstances.

Heat Stress: On hot days the temperature in the roof void can far exceed the outside temperature and as roof voids are also a confined space, this can limit safe access durations to the roof void on hot days. Dark roof coverings or lack of ventilation in the roof void can greatly increase roof void temperatures exacerbate heat stress concerns for the Inspector. In the interests of the health and safety of the Inspector undertaking the inspection, the roof void inspection duration will be limited as required on hot days if heat stress concerns are identified by the Inspector. In such instances, this shall be noted in the Inspection Report.

4C) Limitation to the Roof Covering inspection: The roof covering will not be walked upon if in the opinion of the Inspector it is not safe to do so. Generally, issues that prevent roof access include access height over 3 metres, steep pitch, wet/slippery surfaces, deteriorated covering, risk of cracking or damaging tiles, risk of falls from unprotected edges above 2m in height.

Not being able to walk on a roof significantly limits our roof inspection, which can result in hidden defects going undetected. The overall condition of the roofing and its components is an opinion of the general quality and condition of the roofing material. The Inspector cannot and does not offer an opinion or warranty as to whether the roof leaks or may be subject to future leakage. This report is issued in consideration of the foregoing disclaimer. The only way to determine whether a roof is absolutely watertight is to observe it during a prolonged period of rainfall and often from within the roof

void at these times. Many times, this situation is not present during the inspection. We offer no guarantee that the roof cladding or roof components such as flashing will not leak in the future.

4D) Limitations to the exterior inspection: This is a visual inspection limited in scope by (but not restricted to) the following conditions: A representative sample of exterior components will be inspected rather than every occurrence of components. The inspection does not include an assessment of geological, geotechnical, or hydrological conditions, or environmental hazards. Screening, shutters, awnings, or similar seasonal accessories, recreational facilities, outbuildings, seawalls, break-walls, docks, erosion control and earth stabilisation measures are not inspected unless specifically agreed-upon and documented in this report. Please note: If any wall cracking/cracks/openings are found at this dwelling, we cannot offer any guarantee that any visible wall cracks will not widen or lengthen over time or in the future as this is impossible to predict. We strongly recommend you contact a practising structural engineer for further advice.

4E) Timber framed windows can bind or stick. This can be seasonal due to the fluctuation in moisture content in timber. If binding or sticking continues, a carpenter may be required to undertake adjustments. Binding windows is not normally a major defect, however in some circumstances, binding windows and doors can be directly related to some differential settlement of footings. If any timber fungal decay on frames or deteriorated putty seals is noted, the Inspector will not attempt to operate windows due to potential damage. Windows that are sticking, binding or painted stuck will also not be forced open. Water leaks to windows and surrounds cannot be determined in the absence of rain.

4F) Internal Inspections. Carpets and or other floor coverings, furniture, cupboards/cabinets, joinery, finishes and fittings, normally obstruct inspection to the upper side of flooring. Defects or timber pest damage may be present and not detected in areas where inspection was limited, obstructed or access was not gained. The condition of walls behind wall coverings, panelling and furnishings cannot be inspected or reported on. Only the general condition of visible areas is included in this inspection. Where fitted, wood-burning and other forms of fireboxes are outside the scope of this inspection. We recommend you have these tested prior to purchase for peace of mind.

4G) Cracking of Building Elements: Regardless of the type of crack(s), the Inspector carrying out a visual inspection is unable to determine the expected consequences of the cracks. A crack on the day of the inspection can be 1mm wide but may have the potential to develop over time into structural problems for the home owner, resulting in major and expensive rectification work. Information required to determine the consequences of a crack include the nature of the foundation material on which the building is resting and:

- a) The design of the footings
- b) The site landscape and topography
- c) The history of the cracks

All these factors fall outside the scope of this inspection. However, the information obtained from the items above are valuable in determining the expected consequences of the cracking and any remedial work.

Cracking Categories:

Cracking is categorised into the following 5 categories with a description of typical damage and required repairs:

0 - Hairline cracking, less than 0.1mm.

1 - Fine cracks that do not need repair, less than 1.0mm.

2 - Noticeable cracks, yet easily filled 1mm - 5.0mm.

3 - Cracks that can be repaired and possibly some of the wall sections will need to be replaced.

Weather tightness can be impaired: 5.0mm - 15.0mm.

4 - Extensive repair works required involving breaking out and replacing these sections. Walls can become out of plumb and fall and causes reduced bearing capacity: 15.0mm - 25.0mm.

IMPORTANT: Regardless of location or size, if cracks have been identified, then these cracks should be monitored (by keeping a record of width and length measurements and dates recorded) and if the cracks widen or lengthen in the future, a structural engineer or registered Builder should be engaged at that time for further advice and recommendations.

4H) Elevated Structures: Where any elevated structure (deck, balcony, veranda etc.) is present, and this elevated structure is designed to accommodate people, it is recommended that this structure is checked by a structural engineer or other suitably qualified person. You should also arrange annual inspections of the structure by an engineer or other suitably qualified person to ensure any maintenance that may become necessary is identified. Care must be taken not to overload the structure. Nothing contained in this inspection should be taken as an indicator that we have assessed any elevated structure as suitable for any specific number of people or purpose. Only a qualified engineer can do this. For the purpose of this report, the structure includes elevated decks, verandas, pergolas, balconies, handrails, stairs and children's play areas. Where any structural component is concealed by lining materials or other obstructions, these linings or obstructions must be removed to enable an evaluation to be carried out by an appropriately qualified structural engineer.

5) CONCEALED DEFECTS: The inspection report does not and cannot make comment upon defects that may have been concealed either inadvertently or intentionally by the seller.

6) PREVAILING WEATHER CONDITIONS: The Inspection Report does not and cannot make accurate assessment of stormwater defects which may require wet conditions or rain to determine if active leaks are present, including rising damp, roofing or roof plumbing leaks or surface water drainage management. These will need to be further assessed during periods of heavy rainfall.

7) GENERAL LIMITATIONS: The Inspection Report will not include or make comment on the presence or absence of timber pests; gas-fittings; common property areas; environmental concerns; the proximity of the property to flight paths; correct boundary/ fencing positioning or building set out/ set back or surveying related matters; railways or busy traffic; noise levels; health and safety issues; heritage concerns; security concerns; fire protection; site drainage (apart from surface water drainage); swimming pools and spas (non-structural); detection and identification of illegal building work; detection and identification of illegal plumbing work; durability of exposed finishes; neighbourhood/ neighbour problems; document analysis; electrical installation; any matters that are solely regulated by statute or any area(s) or item(s) that could not be accessed or visually inspected by the Inspector.

8) NO GUARANTEE: This report is not a guarantee that defects and/or damage do not exist in any inaccessible or partly inaccessible areas or sections of the property not visible at the time of the inspection. Such matters may upon request be covered under the terms of a special purpose property report.

9) SWIMMING POOLS: Swimming pools/spas are not part of the standard building report under AS4349.1-2007 and are not covered by this report. We strongly recommend a pool expert should be consulted to examine the pool and the pool equipment and plumbing as well as the requirements to meet the standard for pool fencing. Failure to conduct this inspection and put into place the necessary recommendations could result in fines for non-compliance under the legislation.

10) SURFACE WATER AND DRAINAGE: The retention of water from surface run off could have an effect on the foundation material which in turn could affect the footings/ foundations of the house. Surface water should be directed away from the house or to storm water pipes and soak wells by a licensed drainage plumber. The general adequacy of site drainage in relation to the potential for water to pond against structures shall be visually assessed during the inspection. Comments on surface water drainage are limited as surface water drainage may appear to be adequate but then during periods of heavy rain, may be found to be inadequate. Any comments made in this report are relevant only to the conditions present at the time of inspection and are a general opinion only and further assessment by the Purchaser during periods of heavy rainfall is recommended after settlement.

11) SHOWER & BATH RECESSES: All shower areas are visually checked for leakage such as blistered paintwork, water staining and water damage to timbers etc in areas immediately adjacent to the shower/ bath enclosure. Where possible at the time of the inspection visual indicators such as blistered or bubbling paint on the opposite sides of the shower enclosures/ baths walls are also investigated.

Where possible, a moisture meter reading will be obtained on the opposite side of the shower/ bath recess wall to determine if these walls have relatively high moisture readings compared to other walls at the property. This can be an indication that the waterproofing to the shower enclosure or bath has failed or that there are plumbing leaks such as unsealed wall penetrations around taps and shower heads or bath spouts which can't be visually seen at the time of the inspection.

A visual inspection and the taking of moisture meter readings on the opposite side of the shower or bath enclosure walls may not be possible at the time of the inspection due to the enclosure being against external walls, furniture placement, stored items, clothing in built in robes or ceramic tiles which moisture metre readings cannot be obtained from.

As shower and bath recesses are only checked at time the time of the inspection, prolonged use may reveal leaks that were not detected at the time of inspection, particularly if the shower has not been used for some time prior to the inspection. No evidence of a current leak during the inspection does not necessarily mean that the shower recess does not leak or will leak in the future.

However, determining whether shower areas, bath/shower surrounds are watertight and the cause of any leaking into surrounding building components is ultimately beyond the scope of this inspection. We offer no guarantee as to whether shower or bath enclosures are watertight at the time of the inspection.

It should be noted that damp masonry walls may still contain high moisture levels for 6 months or more following waterproofing repairs and on occasion high moisture meter readings and/or visual indicators of moisture damage may be the result of old water leaks which may have been resolved.

If there are claims by the seller that waterproofing works have been undertaken recently and prior to the property being offered for sale, it is strongly recommended that You request the details of the waterproofing works undertaken, the contractor who undertook the works and any warranties which are applicable to the works from the seller prior to settlement. In such cases, a reinspection of the shower/ bath enclosure and the taking of further moisture meter readings is recommended 3 – 6 months after settlement of the property to confirm that the walls are dry or are drying out and that the waterproofing works have been successful. Painting should not be undertaken until the walls are confirmed as sufficiently dry.

Where this report identifies high moisture content to surrounding walls/ building elements or where there are visual indicators of water damage in the vicinity of the shower or bath enclosures, we recommend further inspection and assessment (which may need to be invasive or require removal/ testing of plumbing hardware) and advice be sought from a licensed plumbing contractor, and/or registered builder prior to proceeding with any rectification works addressing moisture issues to the building elements surrounding shower or bath recesses.

12) GLASS CAUTION: Glazing in older houses (built before 1978) may not necessarily comply with current glass safety standards AS1288. In the interests of safety, glass panes in doors and windows especially in trafficable areas should be replaced with safety glass or have shatterproof film installed unless they already comply with the current standard.

13) STAIRS AND BALUSTRADES: Specifications have been laid down some time ago by the National Construction Code including minimum balustrade heights of 1000mm and that there should not be gaps in excess of 125mm between balustrades/ rails. In some circumstances these regulations were non-existent or different at the time the properties being inspected were constructed. Where these conditions are present onsite, they shall be reported on and listed as a safety concern, and it is recommended that stairs and balustrades are brought up to these standards due to safety concerns for young children.

14) RETAINING WALLS: Only retaining walls supporting other structures and landscaping walls greater than 700mm high shall be reported on based on a visual inspection. Where retaining walls are more than 700mm high these wall/s should have been installed with engineering design and supervision. Retaining walls found on the site are not structurally assessed for design and adequacy and the performance of these walls is not the subject of a standard property report. It is recommended

that they should be further investigated with regard to the following items: adequate drainage systems, adequate load bearing, correct component sizing and soil battering.

15) ROOMS BELOW GROUND LEVEL: If there are any rooms under the house or below ground level (whether they be habitable or non-habitable rooms), these may be subject to dampness and water penetration. Drains are not always installed correctly or could be blocked or waterproofing to the outside walls or concrete floors may have failed or not been installed. It is common to have damp problems such as blistered paintwork, salt residue build-up or water entry into these types of rooms, especially during periods of heavy rainfall. This may not be evident at the time of the inspection if there has been not rainfall for a period prior to the inspection. If moisture problems are identified in the report, We recommend contacting a registered builder or specialist waterproofing contractor to undertake further investigations and for further advice.

16) ASBESTOS DISCLAIMER: No inspection for asbestos will be carried out at the property and no report on the presence or absence of asbestos is provided.

17) MOULD (mildew and non-wood decay fungi) disclaimer: Mildew and non-wood decay fungi is commonly known as mould. However, mould and their spores may cause health problems or allergic reactions such as asthma and dermatitis in some people. No inspection for mould was carried out at the property and no report on the presence or absence of mould is provided.

18) SMOKE ALARMS: It is a legislative requirement that all residential properties being sold in W.A. have compliant hardwired smoke alarms which are under 10 years old at the time of the sale. In older buildings, where there is no access to run hidden cables, a 10 year non removable battery powered smoke alarm/s maybe used. The report includes a visual assessment of the installed smoke alarms at the property only, and comment as to:

- i) Whether they appear to be hardwired or not.
- ii) The installation or manufacture date of the alarms (if they can be opened without causing damage and if this information is labelled and legible on the device) to determine if they are under 10 years old at the time of the inspection.
- iii) The number smoke alarms.
- iv) Whether the smoke alarms appear to be located generally in accordance with the NCC requirements. No onsite measurements will be undertaken concerning correctly smoke alarm placement and this is a general assessment only concerning placement.

However, we are not electricians and ultimately cannot guarantee that the Smoke Alarms as Compliant with legislative requirements at the property including if they are interconnected. We strongly recommend that you request an Electrical Compliance Certificate from the Seller for the property via a licensed electrical contractor prior to settlement with regard to the hardwired smoke alarms at the property.

Note Regarding Legislative WA Smoke Alarm Requirements

Since July 1, 1997, mains powered smoke alarms have been mandatory for all new buildings or extensions and from October 1, 1997, mains powered alarms have been mandatory to be fitted to any property being rented, hired or sold (including transfer of ownership). Battery powered smoke alarms may be installed without local government approval where there is no hidden space in the existing dwelling in which to run the necessary wiring for hard wired smoke alarms and there is no appropriate alternative location. For example, where there is a concrete ceiling, a 10 year non removable battery must be used. Interconnection to other alarms is required for homes approved for construction after May 1, 2015. Interconnection is not required for any premises built before May 1, 2015.

19) RCD's (Residual Current Devices): It is a legislative requirement that all residential properties being sold in W.A. have compliant Residual Current Devices installed (at a minimum) to the designated power and lighting circuits at the property at the time of the sale. The report includes a visual assessment of the installed RCD's at the property only (if access allows) and if RCD's appear to be installed to power and lighting circuits. This often relies on the RCD's be labelled correctly and legibly which is not always the case. RCD's are not tested at the time of the inspection. However, we are not electricians and ultimately cannot guarantee that the RCD's are Compliant with legislative requirements at the property. We strongly recommend that you request an Electrical

Compliance Certificate from the Seller for the property via a licenced electrical contractor prior to settlement regarding the RCD's at the property.

20) PLUMBING: Visible plumbing pipes are checked for visual indicators of leaks. Taps are turned on if sinks, baths and showers are free of Seller's possessions and if water is connected/ turned on at the meter at the time of the inspection to test for operation. Sinks are tested for adequate drainage and that they are not draining slowly. The plumbing assessment is limited to basic function tests and a visual inspection only.

However, we are not plumbers and cannot attest to the plumbing at the property being Compliant with legislative requirements, the NCC or relevant Australian Standards or if it is fit for purpose. We recommend that you arrange a separate inspection via a licensed plumbing contractor if you require a more thorough assessment of the plumbing at the property as part of your pre-purchase investigations.

21) HOT WATER UNITS: No specific tests other than running the hot water from a tap are carried out to determine that the systems is operational. No determination will be made as to the suitability or adequacy of the hot water system in relation to capacity or otherwise. If you require a more thorough assessment of the hot water system/s at the property, we strongly recommend contacting a licensed plumbing contractor to inspect and report on the hot water unit at the property as part of your pre-purchase investigations.

22) GAS: Gas fixtures and fittings shall not be tested or assessed during the inspection other than a function test of hot water units if they are run off a gas supply at the property. We recommend that all gas fixtures or fittings at the property are inspected and tested by a qualified and licensed gasfitter.

23) ELECTRICAL: The inspection report does not cover the condition of electrical or motorised appliances. It is strongly recommended that an appropriately qualified contractor check these services prior to purchase. As a matter of course, and in the interests of safety, all prospective purchasers should have an electrical report carried out by a suitably qualified and licensed electrical contractor.

24) NOT A PEST REPORT: This inspection and report will not inspect, seek or attempt to identify timber pest activity or damage. We strongly recommend you obtain a timber pest inspection conducted by a licensed and suitably qualified pest inspector. (Terms And Conditions for the timber pest inspection report follow the Timber Pest Inspection Report and are separate to these building inspection report terms and conditions).

25) SOIL CONDITIONS: The inspection report offers no opinion as to the geological or soil conditions of the site which may affect foundation integrity or structural/civil engineering or landscaping requirements or general design adequacy.

26) GARAGES/ CARPORTS: Garages or carports (whether attached to the main dwelling or not) shall be inspected in accordance with the pre-purchase building inspection type requested by the Client.

27) ATTACHED STRUCTURES: Structures attached to the main dwelling such as verandas, balconies, alfresco areas, patios, decks, and suspended concrete floors shall be inspected and visually assessed at the time of the inspection.

28) DETACHED STRUCTURES: The inspection report is limited to inspection and reporting on a maximum of two other minor detached structures or outbuildings within 30m of the main structure (for example, garden shed, alfresco area, outhouse, laundry, workshop etc not exceeding approximately 20m² each) and within the site boundaries.

29) MAGNESITE DISCLAIMER: No inspection for Magnesite flooring was carried out at the property and no report on the presence or absence of Magnesite flooring is provided. You should ask the owner whether Magnesite flooring is present and/or seek advice from a structural engineer.

30) DISCLAIMER OF LIABILITY: No liability shall be accepted on an account of failure of the report to notify any problems in the area(s) or section(s) of the subject property physically inaccessible for inspection, or to which access for inspection is denied by or to the Inspector (including but not limited to or any area(s) or section(s) so specified by the report) Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Compensation is limited to the price of the report initially paid by the claimant named in the report as the "CLIENT".

31) DISCLAIMER OF LIABILITY TO THIRD PARTIES: Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Any third party acting or relying on this Report, in whole or in part, does so entirely at his or her own risk.

32) COMPLAINTS PROCEDURE: In the event of a dispute or a claim arising out of, or relating to the Inspection or the Report, You must notify Us as soon as possible of the dispute or claim by email, fax or mail. You must allow Us (which includes persons nominated by Us) to visit the property (which visit must occur within twenty-eight (28) days of your notification to Us) and give Us full access in order that We may fully investigate the complaint. You will be provided with a written response to your dispute or claim within (28) days of the date of the inspection.

If You are not satisfied with Our response, You must advise Us in writing within twenty-one (21) days of Your receipt of Our written response that You are not satisfied with Our response and that you request the claim or dispute be referred to a Mediator for resolution. The Mediator will be nominated by Us from the Institute of Arbitrators and Mediators of Australia. The cost of the Mediator will be borne equally by both parties or as agreed as part of the mediated settlement.

Should the dispute or claim not be resolved by mediation then the dispute or claim will proceed to arbitration. The Institute of Arbitrators and Mediators of Australia will appoint an Arbitrator who will hear and resolve the dispute. The arbitration, subject to any directions of the Arbitrator, will proceed in the following manner:

- (a) The parties must submit all written submissions and evidence to the Arbitrator within twenty-one (21) days of the appointment of the Arbitrator; and
- (b) The arbitration will be held within twenty-one (21) days of the Arbitrator receiving the written submissions.

The Arbitrator will make a decision determining the dispute or claim within twenty-one (21) days of the final day of the arbitration. The Arbitrator may, as part of his determination, determine what costs, if any, each of the parties are to pay and the time by which the parties must be paid any settlement or costs. The decision of the Arbitrator is final and binding on both parties. Should the Arbitrator order either party to pay any settlement amount or costs to the other party but not specify a time for payment then such payment shall be made within twenty-one (21) days of the order.

In the event that You do not fully comply with the above Complaints Procedure and commence litigation against Us then You agree to fully indemnify Us against any awards, costs, legal fees and expenses incurred by Us in having your litigation set aside or adjourned to permit the foregoing Complaints Procedure to be completed.

Complaint Investigation: In the event any litigation is started as a result of the inspection and/or report, You indemnify us against any legal fees and expenses incurred where You have not first allowed Us the opportunity to visit the property to investigate the complaint and provide You with a written response within 28 days.

2.1.1 AS 4349.1 – Appendix A

Structural Building Inspection Limitations

Where the Client requests and requires only an assessment of the structure of the property, the purpose of the Inspection shall be limited to a visual assessment of the accessible areas of the property to identify major defects to the building structure and to form an opinion regarding the general condition of the main structure at the property only.

Specifically, the pre-purchase Structural Inspection report will **not** contain any assessment or an opinion regarding the following. (The non-structural elements in bold have been added for clarification and are the only deviations from Appendix A of AS 4349.1):

- a) Any non-structural element, e.g., roof plumbing and roof covering, general gas, water and sanitary plumbing, electrical wiring **switches and installations**, partition walls, cabinetry, windows, doors, **glazing**, trims, fencing, **balustrades, handrails and stair treads and risers**, minor **detached structures such as garden sheds etc**, pergolas or unenclosed structures, non-structural damp issues, ceiling linings, **insulation, window treatments such as blinds, curtains, shutters etc**, floor coverings, **the site including paths, fences, pool fences, garden retaining etc**, decorative finishes such as plastering, painting, tiling, **wallpaper** etc.
- b) An assessment of any aspect or component of the property that cannot be seen or that requires testing and/or measurement to determine soundness.
- c) Any area or item that was not, or could not be, observed by the Inspector.
- d) General maintenance other than that which is deemed to be directly related to the ongoing structural performance of the property.
- e) Serviceability damp defects such as condensation, rising damp, lateral damp or falling damp should only be assessed and reported on where structural damage has occurred, is occurring, or may occur (e.g., Fungal rot) significant spalling of masonry or concrete structural elements, significant fretting of mortar or rusting of primary structural elements. Stormwater drainage and surface water defects commonly cause or exacerbate foundation instability, and these issues should be assessed and reported on where relevant.

2.2.2 AS 4349.1 – Appendix D

Comprehensive Building Inspection Limitations

Where the Client requests a Comprehensive Building Inspection, this prepurchase inspection shall comprise a visual assessment of the property to identify not only structural defects but also major and minor defects to other building elements and to form an opinion regarding the general condition and maintenance requirements of the building elements at the property at the time of the inspection. The Comprehensive Building Inspection will be in accordance with Appendix C of AS 4349.1.

Specifically, the **excluded items** from the Comprehensive Building inspection and report are as follows with items in bold having been added for clarification, and being the only deviations from Appendix D of AS 4349.1:

- a) Footings below ground.
- b) Concealed damp-proof course.
- c) Electrical installations, operation of smoke detectors, light switches and fittings, TV, sound and communications and security systems.
- d) Concealed plumbing.
- e) Adequacy of roof drainage as installed.
- f) Gas fittings and fixtures.
- g) Air-conditioning.
- h) Automatic garage door mechanisms.
- i) Swimming pools and associated filtration and similar equipment.
- j) The operation of fireplaces and solid fuel heaters, including chimneys and flues.
- k) Alarm systems.

- l) Intercom systems.
- m) Soft floor coverings. **(A general assessment is provided only).**
- n) Electrical appliances including dishwashers, incinerators, ovens, ducted vacuum systems.
- o) Paint coatings, except external protective coatings. (A general assessment is provided for internal painting only).**
- p) Health hazards (e.g., allergies, soil toxicity, lead content, radon, presence of asbestos or urea formaldehyde).
- q) Timber and metal framing sizes and adequacy.
- r) Concealed tie-downs and bracing.
- s) Timber pest activity.
- t) Other mechanical or electrical equipment (such as gates, inclinators).
- u) Soil conditions.
- v) Control joints.
- w) Sustainable development provisions.
- x) Concealed framing-timbers or any areas concealed by wall linings/sidings.
- y) Landscaping.
- z) Rubbish.
- aa) Floor cover. (A general assessment is provided for internal floor coverings only)**
- bb) Furniture and accessories.
- cc) Stored items.
- dd) Insulation other than can be visually inspected in the roof void i.e. ceiling insulation and sarking.
- ee) Environmental matters (e.g., water tanks, BCA Environmental Provisions)
- ff) Energy efficiency.
- gg) Lighting efficiency.
- hh) Window treatments such as blinds, curtains, shutters etc.**

2.3 Pre-Purchase Working Order Inspections

Where the Client requires and requests a **Working Order inspection** in conjunction with a Pre-purchase building inspection, please be aware that this inspection will only test those services that are operational and accessible at the time of the inspection. This inspection is not a guarantee that the electrical, plumbing or gas services have been installed correctly, are safe to operate, are operating efficiently or have been correctly maintained or are in a safe working condition.

This inspection is a simple function test only to determine if the service/ fixture is operational at the time of the inspection. No testing equipment other than a power point socket tester is used and this is a layman's test of services that can be operated via existing onsite controls i.e. switches or taps at the time of the inspection only. Modes of operation for appliances and air conditioning are not tested or reported on.

Garden irrigation systems, spa baths, ducted vacuum systems, TV outlets (TV reception), data outlets (NBN etc), cable TV, gas bayonets, security alarms or monitoring systems, intercom or access controls, bush fire defence/ suppression systems, pool equipment (pumps, chlorinators, filtration systems etc) or other specialised services are not tested during this inspection.

Contact a licensed electrical and/or plumbing and gas contractor to confirm correct installation and safe operation of all electrical, plumbing and gas services at the property. Specialist contractors should also be contacted to inspect specific service operation if required.

We strongly recommend that you request an electrical compliance certificate be provided by the Seller from a licensed electrical contractor for the electrical services at the property prior to settlement.

End – Pre-Purchase Building Inspections - Pre-Inspection Agreement Terms and Conditions

3.0 Pre-Purchase Timber Pest Inspections

Pre-Inspection Agreement Terms and Conditions

Any Client requesting and relying upon this report should read and understand the following important information which forms the terms and conditions of the Pre-Purchase Timber Pest Inspection agreement. This will help explain what is involved in a timber pest inspection, the report's limitations, the difficulties faced by a timber pest inspector and why it is not possible to guarantee that a property is free of timber pests. It also details important information about what you can do to help protect your property from timber pest attack.

Any person or entity who requests and relies upon the contents of this report does so acknowledging that the following clauses, which define the scope and limitations of the inspection and form an integral part of the report.

The Client acknowledges that, unless stated otherwise, the Client, as a matter of urgency should implement any recommendation or advice given in this report. Please contact the Inspector if there is something you do not understand or require further clarification on after receiving the report.

1.0 PURPOSE: The purpose of this pre-purchase timber pest inspection report is to provide our Clients with an assessment of the following at the property at the time of the inspection:

- a) Evidence of timber pests.
- b) Existence of visually observable damage caused by timber pests.
- c) Conditions conducive to timber pests.
- c) Susceptibility of the building to timber pests.
- d) Further investigations required (if any).

2.0 VISUAL INSPECTION: This is a non-invasive visual inspection supplemented by random non-marking sounding of timber elements and random assessment of moisture content of materials only in accordance with the requirements of as 4349.3 - Inspection of buildings part 3: Timber pest inspections.

This visual inspection is limited to those areas and sections of the property to which reasonable access (see definition) was both available and permitted on the date of inspection. The inspection did not include breaking apart, dismantling, removing or moving objects including, but not limited to, foliage, mouldings, roof insulation/sisalation, floor or wall coverings, sidings, ceilings, floors, furnishings, appliances or personal possessions. The Inspector cannot see inside walls, between floors, inside skillion roofing, inside the eaves, behind stored goods in cupboards, in other areas that are concealed or obstructed. The Inspector did not dig, gouge, force or perform any other invasive procedures. An invasive inspection will not be performed by Red Earth Building Inspections. In an occupied property it must be understood that furnishings or household items may be concealing evidence of timber pests, which may only be revealed when the items are moved or removed.

3.0 STRATA PROPERTIES: In the case of strata type properties only the interior and immediate external areas of the unit are inspected. Common property areas will not be inspected.

4.0 SCOPE OF THE REPORT: This report is confined to reporting on the discovery, or non-discovery, of infestation and/or damage caused by:

- a) Subterranean and dampwood termites (white ants).
- b) Borers of seasoned timber and,
- c) Wood decay fungi.

Hereinafter, these shall be referred to as 'timber pests', present and visible at the time of the inspection. The inspection will not cover any other pests, and this report does not comment on them.

5.0 HIDDEN DAMAGE: If timber pest activity and/or damage is found within the structures or the grounds of the property, then damage may exist in concealed areas, eg framing timbers. An invasive inspection is strongly recommended in this case. Damage may only be found when wall linings, cladding or insulation are removed to reveal previously concealed timbers.

6.0 ACCESSIBILITY & REASONABLE ACCESS: Only areas where reasonable access was available and where a visual inspection was possible at the time of the inspection will be inspected. Refer to Clause 11 REASONABLE ACCESS below for further details regarding safe and reasonable access requirements for Inspectors. Further and/or future inspection is strongly recommended of those areas that were not readily accessible and or inaccessible or obstructed areas once access has been provided or the obstruction/s removed.

7.0 LIMITATIONS: Nothing contained in the report implies that any inaccessible or partly inaccessible areas or sections of the property being inspected by the inspector on the date of the inspection were not, or have not been, infested by timber pests. Accordingly, this report is not a guarantee that an infestation and/or damage does not exist in any inaccessible or partly inaccessible areas or sections of the property. Nor is it a guarantee that a future infestation of timber pests will not occur or be found.

8.0 DETERMINING THE EXTENT OF DAMAGE: The report is not a structural or building damage report. Any observations, findings or recommendations about timber damage should not be taken as expert opinion and cannot be solely relied upon. The report will not state the full extent of any timber pest damage. The report will state timber damage found as minor, moderate, moderate to extensive or extensive. This information is not the opinion of an expert. If any evidence of timber pest activity and/or damage resulting from timber pest activity is reported in the structure(s) or the grounds of the property, then there may be concealed structural damage within the building(s). This concealed damage may only be found when wall linings, cladding or insulation is removed to reveal previously concealed timbers.

An invasive timber pest inspection (refer to section 14.0 – FURTHER INVASIVE INSPECTIONS) is strongly recommended if termite damage, workings or activity is found to the primary residence, attached structures or outbuildings. We recommend that any invasive timber pest inspections be undertaken by an experienced WA Registered Building Contractor who is familiar with this type of work in conjunction with a licensed timber pest technician.

9.0 COST OF REPAIRS: Determining the cost of repairs for termite damage is beyond the scope of this report. You agree that neither Red Earth Building Inspections nor the individual conducting the inspection will be held responsible or liable for the repair of any timber pest damage whether disclosed by the report or not.

10.0 DEFINITIONS: For the purpose of this inspection, the definitions below shall apply:

10.1 Active - The presence of live timber pests at the time of inspection.

10.2 Inactive - The absence of live timber pests at the time of inspection.

Note: Where visual evidence of inactive termite workings and/or damage is located, it is possible that termites are still active in the immediate vicinity and the termites may continue to cause further damage. It is not possible, without the benefit of further investigation and inspections over a period of time, to ascertain whether any infestation is active or inactive. Continued, regular inspections are essential.

10.3 Minor - Damage that is superficial and does not appear to require any timber replacement or repairs to be carried out.

10.4 Moderate - Damage that is more than surface damage and it is likely to necessitate timber repairs with possible replacement (if more economical or for aesthetic reasons) to be carried out.

10.5 Severe - Damage that appears to be significant and the integrity or serviceability of timbers may be impaired. Usually, timbers will have to be repaired and/or replaced.

10.6 Timber Damage - It is essential that any timber damage noted in the report be referred to a suitably qualified building professional and that the Client obtain a special purpose building report relating to the extent of the timber damage. The full extent of damage may only be revealed by an invasive inspection which may include timber probing and the removal of lining materials. Invasive inspections are not undertaken by Red Earth Building Inspections, and you should understand that the extent and/or severity of timber damage may be found to increase significantly once an invasive inspection is undertaken by others. Any timber damage references contained within this report that may refer to the extent of timber damage have only been included to assist in future inspections and reports by others and to assist others when determining treatment scopes and specifications and not to quantify the damage and must not be solely relied upon to determine the extent of damage and/or the costs of repairs or timber replacement.

11.0 REASONABLE ACCESS: Only areas where reasonable access was available will be inspected. The Australian Standard AS4349.3-2010 defines reasonable access. The Inspector will not access areas where there are safety concerns, or obstructions, or the space available is less than the following:

ROOF SPACE - the dimensions of the access hole must be at least 500mm x 400mm, and reachable by a 3.6m ladder, and there is at least 600mm x 600mm of space to crawl.

SUBFLOOR - the dimensions of the access hole must be at least 500mm x 400mm, and, there is at least 600mm x 600mm of space to crawl.

ROOF EXTERIOR - must be accessible by a 3.6m ladder placed safely on the ground.

Reasonable access does not include the use of destructive or invasive inspection methods. Nor does reasonable access include cutting or making access traps, moving furniture or stored goods, removing roofing tiles to enable roof void access, cutting of access holes or the removal of bolts, screws or any other fastenings to access covers.

11.1 Roof Void limitations to safe access:

11.1.1 Insulation: Entering attics or roof voids that are insulated can cause damage to the insulation and attic framing. Attics or roof voids with deep insulation cannot be safely inspected due to limited visibility of the framing members upon which the inspector must walk. In such cases, the attic or roof void is only partially accessed, thereby limiting the review of the attic or roof void area from the hatch area only.

11.1.2: Safe Entry: Inspectors will not crawl or enter in the roof void area when they believe it is a danger to themselves or that they might damage the roof void insulation or framing. There is a limited assessment of the roof void viewed from the hatch only in these circumstances.

11.1.3 Heat Stress: On hot days the temperature in the roof void can far exceed the outside temperature and as roof voids are also a confined space, this can limit safe access durations to the roof void on hot days. Dark roof coverings or lack of ventilation in the roof void can greatly increase roof void temperatures exacerbate heat stress concerns for the Inspector. In the interests of the health and safety of the Inspector undertaking the inspection, the roof void inspection duration will be limited as required on hot days if heat stress concerns are identified by the Inspector. In such instances, this shall be noted in the Inspection Report.

12.0 CONCRETE SLAB HOMES (Part or full slab): Homes constructed on concrete slabs pose special problems with respect to detecting termite attack. If the edge of the slab is concealed by garden beds, lawns, paths, pavers or any other obstructions then it is possible for termites to effect concealed entry into the property. They can then cause extensive damage to concealed framing timbers before being detected. Even the most experienced inspector may be unable to detect their presence due to concealment by wall linings or other obstructions. Only when the termites attack timbers in the roof void, which may be concealed by insulation, or some other visible timbers, can their presence be detected. Where termite damage is located in the roof void it should be expected

that concealed framing timbers (if present) may be extensively damaged. With a concrete slab home (part or full) it is imperative that you expose the edge of the slab. This may involve the excavation of soil or the complete removal of garden beds, paths, pavers or other features which concealed the slab edge. It is recommended that at least 75 millimetres of the slab edge above ground level remains exposed at all times to facilitate the detection of termite entry. Weep holes or wall vents must also be kept free of obstructions at all times.

13.0 EVIDENCE OF TERMITE DAMAGE: Where evidence of termite damage is noted in any structure or on the grounds of the property, you must understand that termite damage or activity may exist in concealed or inaccessible areas. Termites are secretive by nature, and they will often temporarily desert their workings to later return. As damage or activity may exist in concealed or inaccessible areas, a further INVASIVE INSPECTION maybe necessary to determine the extent of damage (Refer to Section 14.0 - Further Invasive Inspections).

14.0 FURTHER INVASIVE INSPECTIONS: This timber pest inspection is a visual inspection only in accordance with the requirements of as 4349.3 - Inspection of buildings part 3: Timber pest inspections. As detailed above, there are many limitations to this visual inspection. However, with the written permission of the owner of the premises a more invasive physical inspection that involves moving or lifting of insulation, moving stored items, furniture or foliage can be undertaken.

To determine the full extent of termite damage, further invasive inspections will also usually require physically touching, tapping, testing and where necessary forcefully gouging suspected accessible timbers and gaining access to areas (where physically possible and considered practical and necessary) by way of cutting traps and access holes. The removal of wall, floor and ceiling linings may also be required.

Red Earth Building Inspections do not undertake invasive termite inspections, and we recommend contacting an experienced WA Registered Building Contractor or licensed timber pest technician who is familiar with this type of work to undertaker further invasive inspections if required.

15.0 FUTURE TERMITE INSPECTIONS: Regular termite inspections are strongly recommended at intervals not exceeding 12 monthly and more frequently if recommended by the inspector.

16.0 SUBTERRANEAN TERMITES - INFORMATION: No property is safe from termites! Termites are the cause of the greatest economic losses of timber in service in Australia. Independent data compiled by State Forests shows 1 in every 4 homes are attacked by termites at some stage in their life. Australia's subterranean termite species are the most destructive timber pests in the world. How termites attack your home: The most destructive species live in large underground nests containing several hundred thousand timber-destroying insects. The problem arises when a nest matures near your home. Your home provides natural shelter and a food source for the termites. The gallery system of a single termite colony may exploit food sources over as much as one hectare, with individual galleries extending up to 50 metres or more to enter your home. Concrete slabs do not act as a barrier as termites can penetrate cracks through the slab or over the slab edge and once in contact with the timber, they can excavate it, often leaving only a thin veneer on the outside. If left undiscovered the economic species can cause many thousands of dollars damage and can be costly to treat.

17.0 BORERS OF DRY SEASONED TIMBERS - INFORMATION: Borers are the larval stage of various species of beetle. The adult beetles lay their eggs within the timber. The eggs hatch out into larvae that bore through the timber. The larvae may reside totally concealed within the timber for a period of several years before passing into a dormant pupal stage. Within the pupal case they metamorphose (change) into the adult beetle that cuts a hole in the outer surface of the timber to emerge, mate and lay further eggs to continue the cycle. It is only through the presence of these emergence holes that their presence can be detected. Refer to this report (if applicable) for further information.

Anobium punctatum borer (furniture beetle). Commonly attack softwood flooring timbers, shelving timbers and timber panelling. They have the potential to cause severe timber damage if left untreated for many years. Attack by this beetle is usually observed in timbers that have been in service for 10 to

20 years or more.

Lyctus brunneus borer (powder post beetle). These borers only attack the sapwood of certain susceptible species of hardwood timber. Since it is a requirement that the structural timbers contain no more than 25% Lyctus susceptible sapwood, these borers are not normally associated with structural damage. Replacement of affected timbers is not recommended, and treatment is not approved or required.

Queensland Pine Beetle borer. These borers commonly attack flooring and wall timbers. It is not possible to determine with absolute certainty whether activity exists without destruction of the timbers. We therefore recommend that it would be prudent to assume that current borer activity is present unless written evidence is available to indicate that the property has been recently treated in respect to this borer. Replacement of affected timbers is always preferred as a long-term solution since, in the event of selling the property in the future it is probable that an Inspector will report the borers as active (see above). A chemical treatment to control re-infestation should be considered and discussed with a licensed timber pest technician if borers are identified in the Inspection Report. This treatment is applied to the underside of all soft pine flooring timbers and to other affected timbers as required.

Non-Commercial borers are those borers that attack dead trees, logs and tree stumps. These borers are generally not considered to be a threat to timber in service (timber used in the buildings). No treatment is necessary for this species.

18.0 FUNGAL DECAY (WOOD ROT) – INFORMATION: Fungal decay is more commonly known as wood rot. Many problems with timber pests are related to excessive moisture because Termites and wood rot both require heat and moisture to survive. Small sections of minor decay can often be removed and the resulting hole filled with "Builder's filler". Areas of moderate decay will require sections of timber to be replaced. Where there is severe fungal decay the entire affected timber member should be replaced, preferably with treated hardwood. Oregon timber is highly susceptible to Fungal Decay and should be kept well painted. Oregon was once used extensively to construct pergolas and carports and the like. The use of Oregon in external applications is generally considered to be unsuitable.

19.0 MOULD: Mildew and non-wood decay fungi is commonly known as Mould and is not considered to be a timber pest. However, Mould and their spores may cause health and allergic reactions such as asthma and dermatitis in some people. No inspection for Mould was/ will be carried out at the property and no report on the presence or absence of Mould is provided.

If Mould is noted as present within the property and you are concerned as to the possible health risk resulting from its presence then you should seek advice from your Local Council, State or Commonwealth Health Department or a qualified expert such as an Industry Hygienist.

20.0 DISCLAIMER OF LIABILITY: No liability shall be accepted on account of failure of the report to notify any termite activity and/or damage present at or prior to the date of the report in any areas(s) or section(s) of the subject property physically inaccessible for inspection, or to which access for inspection is denied by or to the licensed inspector (including but not limited to any area(s) or section(s) so specified by the report).

21.0 DISCLAIMER OF LIABILITY TO THIRD PARTIES: Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Any third party acting or relying on this report, in whole or in part, does so entirely at his or her own risk.

22.0 COMPLAINTS PROCEDURE: In the event of a dispute or a claim arising out of, or relating to the Inspection or the Report, You must notify Us as soon as possible of the dispute or claim by email, fax or mail. You must allow Us (which includes persons nominated by Us) to visit the property (which visit must occur within twenty-eight (28) days of your notification to Us) and give Us full access in order that We may fully investigate the complaint. You will be provided with a written response to your dispute or claim within (28) days of the date of the inspection.

If You are not satisfied with Our response, You must advise Us in writing within twenty-one (21) days of Your receipt of Our written response that You are not satisfied with Our response and that you request the claim or dispute be referred to a Mediator for resolution. The Mediator will be nominated

by Us from the Institute of Arbitrators and Mediators of Australia. The cost of the Mediator will be borne equally by both parties or as agreed as part of the mediated settlement.

Should the dispute or claim not be resolved by mediation then the dispute or claim will proceed to arbitration. The Institute of Arbitrators and Mediators of Australia will appoint an Arbitrator who will hear and resolve the dispute. The arbitration, subject to any directions of the Arbitrator, will proceed in the following manner:

- (a) The parties must submit all written submissions and evidence to the Arbitrator within twenty-one (21) days of the appointment of the Arbitrator; and
- (b) The arbitration will be held within twenty-one (21) days of the Arbitrator receiving the written submissions.

The Arbitrator will make a decision determining the dispute or claim within twenty-one (21) days of the final day of the arbitration. The Arbitrator may, as part of his determination, determine what costs, if any, each of the parties are to pay and the time by which the parties must be paid any settlement or costs. The decision of the Arbitrator is final and binding on both parties. Should the Arbitrator order either party to pay any settlement amount or costs to the other party but not specify a time for payment then such payment shall be made within twenty-one (21) days of the order.

In the event that You do not fully comply with the above Complaints Procedure and commence litigation against Us then You agree to fully indemnify Us against any awards, costs, legal fees and expenses incurred by Us in having your litigation set aside or adjourned to permit the foregoing Complaints Procedure to be completed.

Complaint Investigation: In the event any litigation is started as a result of the inspection and/or report, You indemnify us against any legal fees and expenses incurred where You have not first allowed Us the opportunity to visit the property to investigate the complaint and provide You with a written response within 28 days.

End – Timber Pest Inspection Pre-Inspection Agreement Terms and Conditions

4.0 New Build Progress Inspections

Pre- Inspection Agreement Terms & Conditions

Purpose

The purpose of this Report is to document the construction progress and to determine whether the project has reached a particular construction stage / milestone in the construction process as requested by the Client. The Report shall record outstanding/ incomplete works and minor and major defects associated with the stage of construction being inspected in accordance with this Inspection Agreement.

Any defects identified in the report should be referred to the Client's Builder for rectification or comment as soon as possible after receipt of the Report by the Client.

Scope of Reporting

The Inspection and Report shall be in Accordance with AS4349.0 -2007: Inspection of Buildings General Requirements, and be subject to the limitations, general conditions and the specific Scope of Inspection and Reporting as contained in these Pre-Inspection Agreement Terms and Conditions.

Unless otherwise agreed in writing, the CLIENT acknowledges that the new build inspection and reports offered by Red Earth Building Inspections are limited to the specific Scope of Inspection & Reporting as detailed in Sections 3.1,3.2 and 3.3 of this Inspection Agreement.

Acceptance Criteria

The structure under construction shall be inspected to determine if a particular construction stage/ milestone has been achieved onsite in accordance with generally accepted industry practices without excessive minor defects/ incomplete works or major defects being visible at the time of the inspection.

Client-Supplied Documents

The Client is required to provide the current set of for-construction architectural drawings via email in PDF format prior to the progress claim inspection to enable dimensional checks to be undertaken for the slab down and walls to plate height progress inspections. If the current set of for-construction architectural drawings are not provided by the Client prior to the inspection, the inspection report will not be able to make any assessment of as-constructed dimensions onsite.

Definitions

Clients should read and understand the following definitions of words used in the Inspection Agreement and the Report.

Builder: The WA Registered Building Contractor that the Client has entered into a Building Contract with for the construction of the dwelling/s being inspected.

Building Contract: The Contract entered into between the Client and the Builder for the construction of the dwelling/s being inspected. The Building Contract will usually consist of the general conditions and associated schedules and annexures, drawings, specifications, and other documents as listed as contract documents within the Building Contract.

Client/ You/ Your: The person or entity that completed the Red Earth Building Inspections online booking form and/or arranged the inspected and as identified in the Inspection Report.

Completed: The progress of a particular stage of construction has been completed in accordance with any documents provided.

Incomplete/Contrary to plans: The progress of a particular stage of construction has been not completed or is not in accordance with the documents provided.

In Progress: The progress of a particular stage of construction is still in progress and has yet to be completed.

Inspector: The person responsible for carrying out the inspection.

MAJOR DEFECT: Building works not completed in accordance with the Client-supplied plans or works not in accordance with generally accepted construction practices which (in the inspector's opinion) require remedial works to be undertaken due to structural, safety or loss of amenity concerns.

MINOR DEFECT: Any defect other than what is described as a major defect, including significant items that must be reported in accordance with the Scope of Inspection & Reporting relevant to the stage of construction being inspected.

Our/Us/We/Firm/REBI: Refers to Skymax Construction Pty Ltd t/a RED EARTH BUILDING INSPECTIONS which is the business that you have requested to carry out the property Inspection and Report.

Report: A document and any attachments containing advice about the condition of the Property and issued to you by us following our inspection of the Property.

General Conditions & Limitations

1) Not a Certificate of Compliance: The Report is not a report or certificate of compliance with any National Construction Code or Australian standard but instead is intended as a record of where the level of construction was at the time of the inspection and is a reasonable attempt to identify any minor or major defects apparent at the time of the inspection. This report is not intended to be a comprehensive defect report and is not a guarantee that defects are not present nor is it intended to replace the Builder's own quality assurance procedures/systems or relieve the Builder of any of their Contractual or Legislative responsibilities to the Client.

This report is not intended as a certificate of compliance of the property within the requirements of any Act, regulation, ordinance or by-law, or, as a warranty or an insurance policy against problems developing with the building in the future.

This report does not override or contravene a report from any relevant authority.

2) Visual Inspection Only: This is a Visual Inspection report only and in Accordance with AS4349.0 -2007, Inspection of Buildings General Requirements, with limited use only of a spirit level and measuring tape/ device as required to undertake the specific New Build Progress Inspection detailed in these Inspection Agreement Terms and Conditions. No other specialist equipment shall be used, nor any specific tests undertaken.

We note that our observations are visual and are carried out to all readily accessible external and/or internal areas of the subject property as instructed by the Client. The inspection does not include areas obscured by machinery, tools, scaffolding, fixtures, fittings, furniture, floor coverings, wall finishes or due to limitations of the visual inspection imposed by the progression of the project past the construction milestone being inspected. All observations of the external façade are made from the ground only unless safe and tagged scaffold is available onsite at the time of the inspection and do not include areas obscured by vegetation.

This visual inspection is limited to those areas and sections of the property fully accessible and visible to the Inspector at the time and on the date of Inspection. The inspection WILL NOT include breaking apart, dismantling, removing or moving objects including, but not limited to, foliage, mouldings, roof insulation/sarking membrane, floor or wall coverings, sidings, ceilings, floors, furnishings, appliances or personal possessions.

The new build inspections will not comment on Client selections or project-specific materials specifications.

3) Specialised Knowledge: This report is an assessment of the condition of the building under construction to the best of Red Earth Building Inspections and the Inspector's abilities and competence and qualification. Neither Red Earth Building Inspections nor the Inspector will be held responsible for areas of specialised knowledge.

4) Client's Administration of the Building Contract: The progress claim inspection report will not provide advice or recommendations to the Client regarding their administration of contracts with others, including payments to Builders or others as may be required under contract/s entered into by the Client.

5) Surveying: No land surveying works including checks for building position on site relative to site boundaries, boundary setbacks and R. L's (relative levels) are undertaken.

6) Disclaimer of Liability: No liability shall be accepted in the event the report fails to notify any problems in the area(s) or section(s) of the subject property physically inaccessible for inspection, or to which access for inspection is denied to the Inspector (including but not limited to any area(s) or section(s) so specified by the report). Compensation will only be payable for losses arising in contract or tort sustained by the Client named in the Report. Compensation is limited to the price of the report initially paid by the claimant named in the report as the "CLIENT".

No Liability shall be accepted on an account of failure of the Report to notify or report any compliance issues relating to the property under construction.

7) Disclaimer Of Liability to Third Parties: Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Any third party acting or relying on this Report, in whole or in part, does so entirely at his or her own risk.

8) Complaints Procedure: In the event of a dispute or a claim arising out of, or relating to the Inspection or the Report, You must notify Us as soon as possible of the dispute or claim by email, fax or mail. You must allow Us (which includes persons nominated by Us) to visit the property (which visit must occur within twenty-eight (28) days of your notification to Us) and give Us full access in order that We may fully investigate the complaint. You will be provided with a written response to your dispute or claim within (28) days of the date of the inspection.

If You are not satisfied with Our response, You must advise Us in writing within twenty-one (21) days of Your receipt of Our written response that You are not satisfied with Our response and that you request the claim or dispute be referred to a Mediator for resolution. The Mediator will be nominated by Us from the Institute of Arbitrators and Mediators of Australia. The cost of the Mediator will be borne equally by both parties or as agreed as part of the mediated settlement.

Should the dispute or claim not be resolved by mediation then the dispute or claim will proceed to arbitration. The Institute of Arbitrators and Mediators of Australia will appoint an Arbitrator who will hear and resolve the dispute. The arbitration, subject to any directions of the Arbitrator, will proceed in the following manner:

- (a) The parties must submit all written submissions and evidence to the Arbitrator within twenty-one (21) days of the appointment of the Arbitrator; and

- (b) The arbitration will be held within twenty-one (21) days of the Arbitrator receiving the written submissions.

The Arbitrator will make a decision determining the dispute or claim within twenty-one (21) days of the final day of the arbitration. The Arbitrator may, as part of his determination, determine what costs, if any, each of the parties are to pay and the time by which the parties must be paid any settlement or costs. The decision of the Arbitrator is final and binding on both parties. Should the Arbitrator order either party to pay any settlement amount or costs to the other party but not specify a time for payment then such payment shall be made within twenty-one (21) days of the order.

In the event that You do not fully comply with the above Complaints Procedure and commence litigation against Us then You agree to fully indemnify Us against any awards, costs, legal fees and expenses incurred by Us in having your litigation set aside or adjourned to permit the foregoing Complaints Procedure to be completed.

Complaint Investigation: In the event any litigation is started as a result of the inspection and/or report, You indemnify us against any legal fees and expenses incurred where You have not first allowed Us the opportunity to visit the property to investigate the complaint and provide You with a written response within 28 days.

4.1 Slab Down Inspection – Scope of Inspection & Reporting

This inspection is undertaken after the ground floor slab has been completed and includes inspection and reporting on the following:

- a) Visual confirmation that the main house/ building slab has been completed.
- b) Check measurements of the overall dimensions of the slab by taking a minimum of two (2) slab measurements in two directions and comparing to the architectural drawings provided by the Client.
- c) Visual confirmation that the wet areas slab set downs have been installed to enable future screeding of the floors to the required falls.
- d) Visual confirmation that plumbing pipes and other pre-lay conduits have been installed in the slab as required.
- e) Visual assessment of the slab surface finish.
- f) Comment as to what (if any) outstanding in-ground concrete foundations or slabs are outstanding. (For example, garage slabs & driveways or pad or strip footings for posts and piers etc).

If the Inspection is for a completed slab other than the ground floor, then the Inspection Report will be limited to the completed slab to that level only (e.g. 1st or 2nd floor only) and as requested by the Client. The scope shall include items a-e as above but with reference to the specific floor in question provided safe access is available onsite.

4.2 Walls to Plate Height Inspection – Scope of Inspection & Reporting

This inspection is undertaken after completion of the brick and/or stud walls to the ground floor and includes inspection and reporting on the following:

- a) **Visual confirmation that the walls have been completed to plate height and are ready for the roof framing to commence.**
- b) Perimeter tie down strapping has been installed and generally not exceeding 1200mm ctrs.
- c) Wall Ties installed in cavity brickwork to correct spacings.
- d) Wall Cavities inspected for width and cleanliness.
- e) **Structural columns and brick piers.**

- f) Lintels have been installed with adequate bearing.
- g) Flashings and weep holes.
- h) Cracking to brickwork.
- i) Walls are within vertical tolerance. No greater than approximately 10mm per 3m of vertical rise. Note, random/ spot checks are undertaken with a spirit level only and not all walls will be checked for vertical tolerance.**
- j) Mortar joints and masonry appearance.
- k) Dimensional checks including room dimensions and window and door openings sizes.**
- l) Room heights to correct course heights or dimensions.**
- m) Cavity insulation has been installed to correct locations (if indicated on the plans provided)
- n) If the ground or 1st floor walls are of a steel or timber stud or brick veneer construction, the Inspection Report shall include items **a), e), i), k)** and **l)** only plus a general assessment of the completed walls to provide the inspector's opinion regarding the adequacy of the tie down continuity to resist uplift forces and stud wall connection details in general only.

The inspection and report will not comment on:

- i) Insulation installation or adequacy including vapour and moisture barriers.
- ii) Spans, sizes or adequacy of timber and metal framing or structural beams, columns etc.
- iii) Correctness of installed window glazing and frame configurations.

If the inspection is for completed walls other than the ground floor, then the inspection report will be limited to the completed walls to that specific level only (e.g. 1st or 2nd floor only) and as requested by the Client. The scope shall include items a) – n) as above but with reference to the specific floor in question, provided safe access is available onsite.

4.3 Roof Framing Inspection – Scope of Inspection & Reporting

This inspection is undertaken once the roof framing has been completed and preferably prior to the roof coverings and ceiling linings being installed so that the roof framing is fully accessible and visible.

The scope of the inspection and report is to provide a general assessment of the roof framing against AS1684.2 – 2021 including the following for metal clad roofs:

- a) Perimeter tie down straps have been connected to rafters or a cover batten or wall plates at 1200mm ctrs. approximately.
- b) Perimeter tie down metal straps extending from the cavity perimeter brickwork are installed vertically and tight to the roof framing.
- c) Proprietary connectors connecting rafters to under purlins have been installed.
- d) Strapping of all struts at both top and bottom of the strut.
- e) Rafters must be connected to the wall plate via triple grip connectors where the wall plate is tied down into the structure with tie down straps.
- f) Ridge straps or mini collar ties (neck ties) connecting opposing rafters must be installed to all opposing rafters.
- g) Welded connections of tie down rods or steel columns to steel beams/ cleats have been completed.

The inspection and report will not comment on:

- i) Insulation installation or adequacy including vapour and moisture barriers.
- ii) Spans, sizes or adequacy of timber and metal framing or structural beams, columns etc.

End – New Build Progress Inspection Pre-Inspection Agreement Terms and Conditions

5.0 Practical Completion Inspection – Pre-Inspection Agreement Terms & Conditions

Any Client who orders a Practical Completion Inspection from Red Earth Building Inspections does so acknowledging and agreeing that the following clauses and conditions, which define the purpose, scope, limitations and general conditions of the Inspection and Report, form the Pre-Inspection Agreement and that the Practical Completion Report provided by Red Earth Building Inspections will be in accordance with the following Terms and Conditions.

Only the person/s or entity identified in the report as the "Client" should rely on this report and Red Earth Building Inspections (REBI) will ONLY provide the Practical Completion Report to the Client for their sole use.

Red Earth Building Inspections takes no responsibility for the Client's administration of any Contracts which they have entered into with the Builder (or others). Likewise, REBI takes no responsibility for the successful completion of the project by the Builder in accordance with the Contract documents, Building Permit approval, relevant National Construction Codes or applicable Australian Standards.

Purpose & Acceptance Criteria

The purpose of the Practical Completion Inspection (PCI) is to provide advice to the Client or owner of a recently completed residential dwelling, regarding the condition of the property at the time of inspection and whether, in the Inspectors opinion, the dwelling has reached the Practical Completion stage as defined below by the HIA (Housing Industry Association):

The stage of construction when the building works are complete except for minor omissions and defects that do not prevent the building works from being reasonably capable of being used for their usual purpose.

The inspection and report will identify major building defects, minor defects, incomplete work or safety hazards at the time of the inspection, so that the Client may provide a written report including defect list/s to the Builder or relevant person/s, and to enable the Client therewith to manage the rectification of defects identified in the PCI with the Builder.

General Definitions:

Clients should read and understand the following definitions of words used in the Pre-Inspection Agreement and the Report.

Accessible Area: Any area of the property and structures allowing the Inspector safe and reasonable access within the scope of the inspection.

Builder: The WA Registered Building Contractor that the Client has entered into a Building Contract with for the construction of the dwelling/s being inspected.

Building Contract: The Contract entered into between the Client and the Builder for the construction of the dwelling/s being inspected. The Building Contract will usually consist of the general conditions and associated schedules and annexures, drawings, specifications, and other documents as listed as contract documents within the Building Contract.

Client/You/Your/Owner The person(s) or other legal entity for which the Inspection is to be carried out and as identified on the 2nd page of the report as the Client, and who has ordered the report online and/or has been sent a tax invoice by REBI. If ordered by an agent, then it is agreed that the agent has the authority to act for and on behalf of the person or other legal entity for which the Inspection is to be carried out.

Defect: A fault or deviation from the intended condition of the material, assembly or component.

Handover: The moment the Builder hands over the keys and the Owner officially takes possession of the completed dwelling at the property.

Inspector: The person responsible for carrying out the Inspection.

Limitation: Any factor that prevents full completion of the purpose of the inspection.

Major Defect: A defect of sufficient magnitude requiring building works to avoid unsafe conditions, loss of function or further worsening of the defective item.

Minor Defect: Any defect other than what is described as a Significant Item or major defect.

Our/Us/We/Firm/REBI: Refers to Skymax Construction Pty Ltd t/a RED EARTH BUILDING INSPECTIONS which is the business that you have requested to carry out the property Inspection and Report.

Practical Completion: The stage of construction when the building works are complete except for minor omissions and defects that do not prevent the building works from being reasonably capable of being used for their usual purpose.

Property: The structure to be inspected and the site upon which it stands to within 30 metres of the dwelling within the site boundaries.

Report: A document and any attachments containing advice and details of any defects or incomplete works noted by the Inspector at the Property at the time of the inspection and issued to You by REBI following Our inspection of the Property via email in PDF format.

Safety Hazard: A defect that presents unsafe conditions and must be reported as a Major defect.

Scope, Limitations & General Conditions:

The Practical Completion Inspection Report shall be limited to a non-invasive visual inspection of areas where safe and reasonable access is available, and access permitted on the date and at the time of inspection.

Any works not by the Builder such as internal wall painting, window treatments, fencing, landscaping etc, shall be noted in the report based on advice from the Client and will not be reported.

1) Australian Standards

The Inspection and Report will be carried out in accordance with AS4349.0-2007 and is limited to reporting on defects associated with inspection items listed in Appendix "C" of AS43491.2007 only.

The inspection WILL NOT report on items listed in Appendix "D" of AS43491.2007 except for the following which will be reported on if applicable: floor finishes, painting, ceiling insulation and sarking installation and soft landscaping to the extent that these works are being undertaken by the Builder on the dwelling being inspected.

If the property is part of a Strata or Company Title, then Appendix "B" of AS43491.2007 applies and the Inspection and Report will be limited to the interior and the immediate exterior of that particular residential dwelling, and the dwelling's designated car bay and storage room if these are detached from the residential dwelling. The Inspection does not cover common property.

2) Areas to be Inspected

The Practical Completion inspection is limited to the following areas/ sections of the property (if applicable) and to the extent that they are fully accessible and visible to the inspector on the date of inspection:

- (a) The interior of the building.
- (b) The roof space.
- (c) The exterior of the building.
- (d) The sub-floor space.
- (e) The roof exterior.
- (f) The site within 30m of the building subject to inspection and within the site boundaries/ fencing.

3) Visual Inspection Only: This is a visual inspection only, limited to those areas and sections of the property fully accessible and visible to the Inspector on the date of Inspection. The Inspection will not include breaking apart, dismantling, removing or moving objects including, but not limited to, foliage, mouldings, roof insulation/ sisalation, floor or wall coverings, sidings, ceilings, floors, furnishings, appliances or personal possessions. The Inspector cannot see inside walls, between floors, inside skillion roofing, behind stored goods in cupboards and other areas that are concealed or obstructed. The Inspector will not dig, gouge, force or perform any other invasive procedures. Visible timbers cannot be destructively probed or hit.

4) Builder's Compliance with the Building Contract Documents & Client Selections:

The Practical Completion Inspection will not include any assessment or comment on the compliance of the Builder's completed works with the Building Contract documents including drawings, specifications, Client selections, finishes etc. as the Inspection is based on a visual assessment of the property only.

The Client should confirm all finishes, specific Client selections and works have been completed as per the Building Contract documents prior to Handover of the property by the Builder.

5) Safe and Reasonable Access: Only areas to which safe and reasonable access is available will be inspected. The Australian Standard AS4349.1 or AS4349.0 defines reasonable access as "areas where safe, unobstructed access" is provided and the minimum clearances specified below are available, or where these clearances are not available, areas within the Inspector's unobstructed line of sight and within arm's length. Reasonable access does not include removing screws and bolts to access covers. Reasonable access does not include the use of destructive or invasive inspection methods and does not include cutting or making access traps or moving heavy furniture, floor coverings or stored goods.

Roof Interior: Access opening 400 x 500 mm. Crawl Space 600 x 600mm. Height accessible from a 3.6m ladder.

Roof Exterior: Must be accessible from a 3.6m ladder placed on the ground.

Areas where reasonable entry is denied to the Inspector, or where safe and reasonable access is not available, are excluded from and will not form part of the Inspection or Report.

These may include any sections/areas of the building that were obstructed at time of inspection by: contractors, goods, materials, vehicles etc. in, on or against section/areas of the building belonging to

the builder, contractors, owner, and/or other parties. The inspection did not include breaking apart, dismantling, removing or moving objects including, but not limited to, foliage, mouldings, roof insulation/sisalation, floor or wall coverings, sidings, ceilings, floors, furnishings, appliances or personal possessions.

6) Not a Certificate of Compliance: This report is not an all-encompassing report dealing with the building from every aspect. It is a reasonable attempt to identify any obvious or significant defects apparent at the time of the inspection. This report is not a certificate of compliance with the requirements of any act, regulation, ordinance, Australian Standard, the National Construction Code (Current or past) or by-law. This Practical Completion Inspection Report does not reference specific Australian Standards or the National Construction Codes for any defects identified, and this Inspection is a general appraisal only. This report is not to be used as an expert witness report by the Client or any other person in any future proceedings or claims beyond satisfying the immediate requirements of recording defects and incomplete works on behalf of our Client at the time of the Inspection. Detailed expert witness reports which can be used in Building Commission or State Arbitration Tribunal (SAT) proceedings and claims can be provided for an additional cost (scope and cost to agreed prior to the Inspection by separate agreement) if required and specifically requested by the Client.

7) Roof Cover Inspection: The roof covering will not be walked upon if in the opinion of the Inspector it is not safe to do so. Generally, issues that prevent roof access include, access height over 3 metres, steep pitch, wet/slippery surfaces, deteriorated covering, risk of cracking or damaging tiles, risk of falls from unprotected edges above 2m in height. Not being able to walk on a roof significantly limits our roof inspection, which can result in hidden defects going undetected. The overall condition of the roofing and its components is an opinion of the general quality and condition of the roofing material and its installation. The Inspector cannot and does not offer an opinion or warranty as to whether the roof leaks or may be subject to future leakage. This report is issued in consideration of the foregoing disclaimer. The only way to determine whether a roof is absolutely watertight is to observe it during a prolonged period of rainfall and often from within the roof void at these times. Many times, this situation is not present during the Inspection. We offer no guarantee that the roof cladding or roof components such as flashing will not leak in the future.

8) Internal Inspections: Carpets and or other floor coverings, furniture, cupboards/cabinets, joinery, finishes and fittings, normally obstruct inspection to the upper side of flooring. Defects may be present and not detected in areas where inspection was limited, obstructed or access was not gained. The condition of walls behind wall coverings, panelling, cabinetry and furnishings cannot be inspected or reported on. Only the general condition of visible areas is included in this inspection. Where fitted, wood-burning, and other forms of fireboxes are outside the scope of this inspection. We recommend you have these tested prior to handover for peace of mind.

9) Internal Surface Finish Defects: During the internal inspection, the Inspector shall view surfaces from the normal viewing position/ distance of 1500mm. The surface or material being viewed shall be viewed in "non-critical light" which is diffused light and not light which is glancing or parallel to the surface being inspected. The normal viewing position is 600mm for appliances and fixtures.

Painting is defective if the paintwork has blemishes such as paint runs, paint sags, dust, bare or starved areas, sanding marks, blistering, irregular or coarse brush marks, inconsistent gloss, colour variations, surface cracks or other marks that can be seen from a normal viewing position.

Paintwork is defective if the application results in excessive overpainting of fittings, trims, skirting boards, glazing, windows frames, architraves, flooring or other finished edges.

The Inspector shall identify defective paintwork and surface finish defects such as marks and scratches, excess grout, poor silicone/ gapping, or where cleaning or touch up painting/ making good etc is required onsite using blue painter's tape which shall be left in position on or adjacent to the location of the surface defect. The report shall include site photographs of all areas with the blue tape applied at the time of the Inspection to enable location in the future should the tape be removed.

Unpainted surfaces such as walls are difficult to assess for surface defects as defects usually only become apparent following the 1st coat of paint being applied. Therefore, unpainted surfaces will only have a limited assessment undertaken and We can't guarantee that surface defects are not present on these surfaces at the time of the inspection.

We strongly recommend reinspection and reporting on all internal surfaces for defects prior to handover or future practical reinspections (if required) as additional impact damage/ marks or defective painting to internal surfaces may occur as the Builder finishes the project in readiness for Handover.

10) Cracking of Building Elements: Regardless of the type of crack(s), the Inspector carrying out a visual inspection is unable to determine the expected consequences of the cracks. As a crack on the day can be 1mm wide but may have the potential to develop over time into structural problems for the homeowner resulting in major and expensive rectification work.

Information required to determine the consequences of a crack include the nature of the foundation material on which the building is resting and:

- a) The design of the footings
- b) The site landscape and topography
- c) The history of the cracks

All these factors fall outside the scope of this Inspection. However, the information obtained from the items above are valuable in determining the expected consequences of the cracking and any remedial work.

Cracking Categories:

Cracking is also categorised into the following 5 categories with a description of typical damage and required repairs:

- 0 - Hairline cracking, less than 0.1mm.
- 1 - Fine cracks that do not need repair, less than 1.0mm.
- 2 - Noticeable cracks, yet easily filled 1mm - 5.0mm.
- 3 - Cracks that can be repaired and possibly some of the wall sections will need to be replaced. Weather tightness can be impaired, 5.0mm -15.0mm.
- 4 - Extensive repair works required involving breaking out and replacing these sections. Walls can become out of plumb and fall and causes reduced bearing capacity, 15.0mm - 25.0mm.

IMPORTANT: Regardless of location or size, if cracks have been identified then these cracks should be monitored (by keeping a record of width and length measurements and dates recorded) and if the cracks widen or lengthen in the future, a structural engineer should be engaged at that time for further advice and recommendations.

11) Elevated Structures: Nothing contained in this Inspection should be taken as an indicator that we have assessed any elevated structure as suitable for any specific number of people or purpose. A qualified engineer can only do this. For the purpose of this report, the elevated structures include elevated decks, verandas, pergolas, balconies, handrails, stairs and children's play areas. Where any structural component is concealed by lining materials or other obstructions, these linings or obstructions must be removed to enable an evaluation to be carried out by an appropriately qualified structural engineer.

12) Concealed Defects: This report does not and cannot make comment upon defects that may have been concealed, or the assessment or detection of defects (including rising damp and leaks) which may be subject to the prevailing weather conditions. Whether or not services have been used for some time prior to the inspection and whether this will affect the detection of leaks or other defects e.g. In the case of shower enclosures and bathtubs, the absence of any leaks or dampness at the time of the Inspection does not necessarily mean that the enclosure will not leak after use.

13) No Guarantee: This report is not a guarantee that defects and/or damage do not exist in any inaccessible or partly inaccessible areas or sections of the property not visible at the time of the inspection.

14) Swimming Pools: Swimming pools/spas are not part of the standard building report under AS4349.1-2007 and are not covered by this report. We strongly recommend a pool expert should be consulted to examine the pool and the pool equipment and plumbing as well as the requirements to meet the standard for pool fencing. Failure to conduct this inspection and put into place the necessary recommendations could result in fines for non-compliance under the legislation.

15) Surface Water and Drainage: The retention of water from surface run off could have an effect on the foundation material which in turn could affect the footings/ foundations of the house. Surface water should be directed away from the house or to storm water pipes and soak wells by a licensed drainage plumber. The general adequacy of site drainage in relation to the potential for water to pond against structures shall be visually assessed during the inspection. Comments on surface water drainage are limited as surface water drainage may appear to be adequate but then during periods of heavy rain, may be found to be inadequate. Any comments made in this report are relevant only to the conditions present at the time of inspection and are a general opinion only and further assessment by the Client during periods of heavy rainfall is recommended after Handover or via flood tests with a hose.

16) Shower & Bath Recesses: All shower areas are visually checked for leakage but leaks often do not show except when the shower is in actual long-term use. A moisture meter is used on the opposite side of the shower recess wall (where possible) to determine if these walls have relatively high moisture readings compared to other walls at the property which can be an indication that the waterproofing to the shower enclosure or bath has failed or that there are plumbing leaks such as unsealed wall penetrations around taps and shower heads or bath spouts which can't be visually seen at the time of the inspection.

However, determining whether shower areas, bath/shower surrounds are watertight and the cause of any leaking into surrounding building components is ultimately beyond the scope of this inspection.

17) Showers Screens are tested for junction seals to walls and the floor (as applicable) by directing water onto the screen from the shower head (if installed and directional) and water is connected at the time of the inspection. The opposite side of the shower screen is then visually checked for leaks which will be reported if observed.

18) Falls to floor wastes in bathrooms and laundries are assessed via the use of a spirit level to determine if (in the Inspectors' opinion) there is a general fall towards the outlet sufficient so that water is unlikely to escape the room in the event of a plumbing failure. No water tests for ponding are undertaken to the main floors of the bathrooms and laundry during the Inspection. This Inspection Report is not a guarantee that the floors have sufficient falls, and that water will not pond in or escape the room in the future.

19) Falls to shower enclosures: A water test is undertaken to the shower floors if the shower plumbing, tiling and shower screen (if applicable) have been completed, and water is connected at the time of the inspection.

When conditions are suitable for drying and all other associated areas have dried, any remaining accumulation of water remaining on the floor (except by water tension/ beading) is deemed to be ponding.

Water ponding on floors can adversely affect the health or amenity of the occupants and the deterioration of building elements. If ponding is occurring, it is likely that the falls are insufficient and that relaying of the tiles and waterproofing in accordance with AS3740 – 2021 waterproofing of domestic wet areas (Refer to Appendix B - Falls to Floors) will be required.

20) Rising or Lateral Damp to Internal Habitable Walls: Moisture Meter readings will be taken at random locations to the interior of external walls of habitable areas only at the time of the Inspection and any elevated levels of moisture (if any) noted in the Report.

However, this is a general assessment only and is not a guarantee that lateral or rising damp is not present at the time of the inspection or will not develop in the future to the internal walls of the dwelling. Weather conditions, external soil levels and drainage and other factors can all lead to

elevated moisture levels to internal walls and we cannot confirm if concealed damp proof courses or moisture barriers are continuous or will be effective during the life of the building.

21) Not A Pest Report: This Inspection and Report will not inspect, seek or attempt to identify timber pest activity or damage.

22) Plumbing: Plumbing is checked for visual indicators of leaks. Taps are turned on to sinks, baths, showers and external taps if water is connected/ turned on at the meter at the time of the inspection, to test for operation. Sinks are tested for adequate drainage and that they are not draining slowly. The plumbing assessment is limited to basic function tests and a visual inspection only.

We recommend requesting a copy of the Completion Certificate from the Licensed Plumbing Contractor who undertook the installation from the Builder prior to the Practical Completion Inspection.

23) Hot Water Units: No specific tests other than running the hot water from a tap are carried out to determine that the systems is operational at the time of the inspection.

24) Electrical & Comms Inspections: No electrical inspections or testing of appliances or fixtures such as lights, power points, comms, TV outlets and data, electric ovens, air conditioning etc will be undertaken. The only exception is the testing of installed exhaust/ ventilation fans to wet areas which will be reported on.

We recommend requesting a copy of the Completion Certificate from the Licensed Electrical Contractor who undertook the installation from the Builder prior to the Practical Completion Inspection.

25) Gas Inspections: No inspection of gas appliances or outlets will be undertaken with the exception of gas hot water units (if applicable).

We recommend requesting a copy of the Completion Certificate from the Licenced Plumbing Contractor who undertook the installation from the Builder prior to the Practical Completion Inspection.

26) Working Order Inspection: Where the Client requires and requests a **Working Order inspection** in conjunction with a Practical Completion Inspection, please be aware that this inspection will only test those services that are operational and accessible at the time of the inspection. This inspection is not a guarantee that the electrical, plumbing or gas services have been installed correctly, are safe to operate, are operating efficiently or have been correctly maintained or are in a safe working condition.

This inspection is a simple function test only to determine if the service/ fixture is operational at the time of the inspection. No testing equipment other than a power point socket tester is used and this is a layman's test of services that can be operated via existing onsite controls i.e. switches or taps at the time of the inspection only. Modes of operation for appliances and air conditioning are not tested or reported on.

Garden irrigation systems, spa baths, ducted vacuum systems, TV outlets (TV reception), data outlets (NBN etc), cable TV, gas bayonets, security alarms or monitoring systems, intercom or access controls, bush fire defence/ suppression systems, pool equipment (pumps, chlorinators, filtration systems etc) or other specialised services are not tested during this inspection.

Contact a licensed electrical and/or plumbing and gas contractor to confirm correct installation and safe operation of all electrical, plumbing and gas services at the property. Specialist contractors should also be contacted to inspect specific service operation if required.

We strongly recommend that you request an electrical compliance certificate be provided by the Builder from a licensed electrical contractor for the electrical services at the property prior to handover.

27) Disclaimer of Liability: No liability shall be accepted in the event the Report fails to notify any problems in the area(s) or section(s) of the subject property physically inaccessible for Inspection, or to which access for Inspection is denied to the Inspector (including but not limited to any area(s) or section(s) so specified by the Report). Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Compensation is limited to the price of the report initially paid by the claimant named in the report as the "CLIENT".

28) Disclaimer Of Liability to Third Parties: Compensation will only be payable for losses arising in contract or tort sustained by the Client named on the front of this report. Any third party acting or relying on this Report, in whole or in part, does so entirely at his or her own risk.

29) Complaints Procedure: In the event of a dispute or a claim arising out of, or relating to the Inspection or the Report, You must notify Us as soon as possible of the dispute or claim by email, fax or mail. You must allow Us (which includes persons nominated by Us) to visit the property (which visit must occur within twenty-eight (28) days of your notification to Us) and give Us full access in order that We may fully investigate the complaint. You will be provided with a written response to your dispute or claim within (28) days of the date of the inspection.

If You are not satisfied with Our response, You must advise Us in writing within twenty-one (21) days of Your receipt of Our written response that You are not satisfied with Our response and that you request the claim or dispute be referred to a Mediator for resolution. The Mediator will be nominated by Us from the Institute of Arbitrators and Mediators of Australia. The cost of the Mediator will be borne equally by both parties or as agreed as part of the mediated settlement.

Should the dispute or claim not be resolved by mediation then the dispute or claim will proceed to arbitration. The Institute of Arbitrators and Mediators of Australia will appoint an Arbitrator who will hear and resolve the dispute. The arbitration, subject to any directions of the Arbitrator, will proceed in the following manner:

- (a) The parties must submit all written submissions and evidence to the Arbitrator within twenty-one (21) days of the appointment of the Arbitrator; and
- (b) The arbitration will be held within twenty-one (21) days of the Arbitrator receiving the written submissions.

The Arbitrator will make a decision determining the dispute or claim within twenty-one (21) days of the final day of the arbitration. The Arbitrator may, as part of his determination, determine what costs, if any, each of the parties are to pay and the time by which the parties must be paid any settlement or costs. The decision of the Arbitrator is final and binding on both parties. Should the Arbitrator order either party to pay any settlement amount or costs to the other party but not specify a time for payment then such payment shall be made within twenty-one (21) days of the order.

In the event that You do not fully comply with the above Complaints Procedure and commence litigation against Us then You agree to fully indemnify Us against any awards, costs, legal fees and expenses incurred by Us in having your litigation set aside or adjourned to permit the foregoing Complaints Procedure to be completed.

Complaint Investigation: In the event any litigation is started as a result of the inspection and/or report, You indemnify us against any legal fees and expenses incurred where You have not first allowed Us the opportunity to visit the property to investigate the complaint and provide You with a written response within 28 days.

30) General Recommendations for Owners at Handover

The following is offered as general advice to Owners to assist with the Handover of the property from the Builder only. Please refer to your Builder's Contract and seek legal advice if required.

Builder Deliverables at Handover

The Builder should generally provide the following to the Owner or Owner's agent at the Handover stage:

- A copy of the Builders Notice of Completion (BA7 Form) to the local council.
- Gas/Plumbing compliance/ completion certificate/s.
- Electrical/Smoke Alarms compliance/ completion certificate/s.
- Practical Completion certificate which includes a Defects Document with reference to the Builders Defects Liability Period and Statutory Defects Period including expiry date/s.
- Home Warranty Insurance certificate.
- Certification and relevant information regarding Termite Management System.
- User Manuals for all appliances and installations.
- Remote controls for garage.
- All keys to the property.
- All warranties for appliances and installations. Check with your builder regarding the provision of any warranties that may be applicable.

Defect Rectification, Builders Defects Liability Period & Final Inspection

The Builder prior to Handover or settlement, or as agreed by the Owner and Builder should rectify any items/defects mentioned in the Practical Completion Inspection (PCI) Report.

If You are required to sign a Practical Completion Certificate, or an authority to release the final payment, You should ensure that any defects or items mentioned in the PCI Report are noted "to be rectified by the Builder" on a Defects Document, which should be signed and dated by the Builder and the Owner, or Owner's agent. Note: If there are any items that the Builder does not agree with, these should also be noted on the Defects Document. The Practical Completion document should mention the provision of a Statutory Defects Period (6 Years from the date of Practical Completion).

The Builders Defects Liability Period generally commences from the date the Practical Completion Certificate is signed. You should confirm the Builders defects liability period and expiry date with the Builder and by reference to Your Building Contract which will include the duration of the Builders Defects Liability Period. Any Builders Defects that become evident during the Defects Liability Period need to be recorded and communicated in writing to the Builder prior to the end of the Defects Liability Period.

There should be provision in your contract for a final inspection by the Owner prior to or at Handover or settlement. A final inspection ensures any defects and/or incomplete work has been satisfactorily completed, and any minor defects and/or incomplete work that may still exist at Handover/settlement are noted and recorded, prior to the Owner taking possession of the Property. You should check Your Building Contract in relation to any Practical Completion/Handover requirements.

Implied Warranties under Building Law

Builders must honour the implied warranties in the Domestic Building Contracts Act, which require that they:

- Carry out the work in a proper and workmanlike manner, in accordance with the plans and specifications set out in the contract.
- Ensure all materials supplied are good and suitable for the purpose and are new, unless otherwise stated in the contract.
- Carry out the work in accordance with all laws and legal requirements.
- Carry out the work with reasonable care and skill and complete works by the date (or within the period) specified by the contract.
- Ensure new homes, extensions, renovations, repairs and kit homes (or similar) are suitable for occupation when completed.
- Ensure other types of work and the material used are reasonably fit for the intended purpose.

Additional Note - Insurance

We strongly recommend you arrange insurance on the property from the date of Handover, as the Builder's insurance will not cover you for any loss or damage after that time.

End – Practical Completion Inspection Pre-Inspection Agreement Terms and Conditions