

This updates the previous Practice Note-2014-01 issued May 2014

Reference to the Building Code of Australia (BCA) in this Practice Note means Volume One of the National Construction Code Series.

Purpose

This practice note explains the exception from Domestic Building Insurance (DBI) requirements that applies to builders of multi-storey residential buildings.

Background

The requirement for a builder of domestic building work to provide DBI is set out in the Domestic Building Insurance Ministerial Order published in Special Government Gazette S9 on 23 May 2003, which took effect on 1 July 2003, as varied by the Domestic Building Insurance Ministerial Order published in General Government Gazette G22 on 29 May 2014, which took effect on 1 July 2014 (the Insurance Order).

Clause 57 of the Insurance Order provides an exception from the provision of DBI for builders who carry out domestic building work under a major domestic building contract for the construction of a multi-storey residential building.

This exception does not apply where work is undertaken within a sole occupancy unit (SOU) of a multi-storey building by—

- a builder who carries out domestic building work under a major domestic building contract; or
- an owner builder. In this case DBI may be required on the sale of the SOU subject to section 137B of the *Building Act 1993*.

What is a multi-storey residential building?

A multi-storey residential building is defined under Schedule 1 of the Insurance Order as a building—

- a. that has a rise in storeys of more than 3; and*
- b. that contains 2 or more separate dwellings.*

'Rise in storeys' is a defined term in the BCA and relates to the building work that a builder proposes to construct under a major domestic building contract as described in the contract.

The number of storeys contained in a building can differ from the 'rise in storeys'.

The provision of firewalls to separate parts of a building will not satisfy the exception provision. The entire building must be considered. The provision of fire separation to create separate buildings is only applicable to Sections C, D & E of the BCA Volume One, and does not apply to the Insurance Order.

Where there is a proposal to construct two separate (detached) buildings on the same allotment each building must be assessed separately.

What does a storey include?

The method for calculating the rise in storeys is set out in clause C1.2 of the BCA. The definition of a storey is stated in clause A1.1 of the BCA. This clause should be read, as some spaces are excluded.

According to the definition of ‘storey in the Insurance Order, a space within a building that only contains accommodation for vehicles is not considered a storey for the purposes of calculating the rise in storeys. Therefore, a car park situated at ground level that contains nothing other than vehicle accommodation does not contribute to the rise in storeys.

If the car park contains other facilities (such as storage areas and entrance foyers) it does contribute to the rise in storeys. However, if the car park only contains stairways that provide emergency exits from the car park level, lifts and associated lift lobbies it is not considered a storey for the purpose of the Insurance Order.

When determining the rise in storeys of the building for the purpose of DBI, only the Class 2 and Class 7 (carpark containing other facilities) parts that are domestic building work under a major domestic building contract are considered, regardless of where the Class 2 portion is located in the building. If there are more than three storeys including a combination of Class 2 and 7 (carpark containing other facilities) then DBI is not required.

Examples

Examples of sections of buildings with reference to DBI requirements.

Figures 1 to 14 relate to construction of new buildings.

Figures 15 and 16 relate to alterations to existing buildings.

Legend

- ‘7’ Class 7, space only for vehicle accommodation
- ‘2’ Class 2 dwellings
- ‘5’ Class 5, office
- ‘6’ Class 6, shop
- ‘GL’ Ground level



Figure 1 - Rise in storeys = 4 (4 x Class 2 storeys) DBI not required.

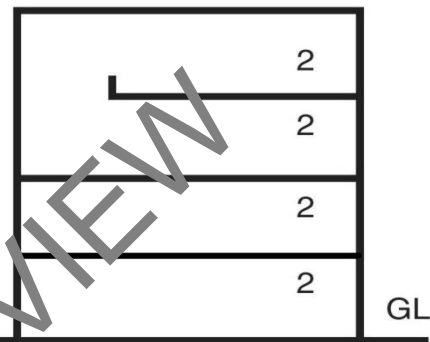


Figure 2 Rise in storeys = 4 (4 x Class 2 storeys) DBI not required.

Note: Top floor is a mezzanine and a storey as per BCA clause C 1.2 (d)(i).

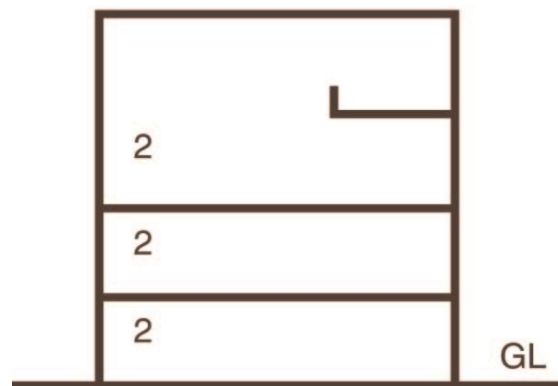


Figure 3 Rise in storeys = 3 (3 x Class 2 storeys) DBI required.

Note: Top floor is a mezzanine but not a storey.

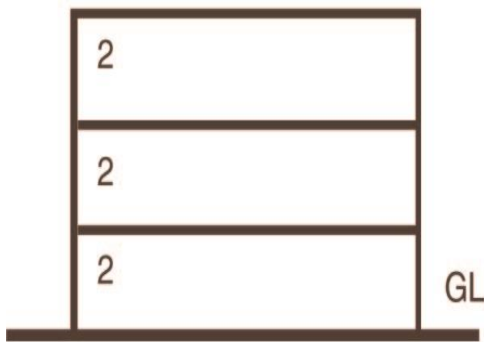


Figure 4 Rise in storeys = 3 DBI required.

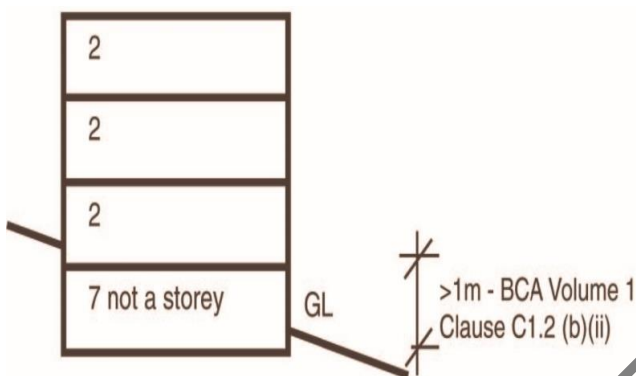


Figure 5 Rise in storeys = 3 (3 x Class 2 storeys) DBI required.

Note: The Class 7 floor only contains accommodation for vehicles, therefore not considered a storey. Fire escape stairways and lift lobbies are allowed.



Figure 6 - Rise in storeys = 2 (2 x Class 2 storeys) DBI required.

Note The Class 7 storeys only contain accommodation for vehicles. Therefore, they are not considered a storey. Fire escape stairways and lift lobbies are allowed.

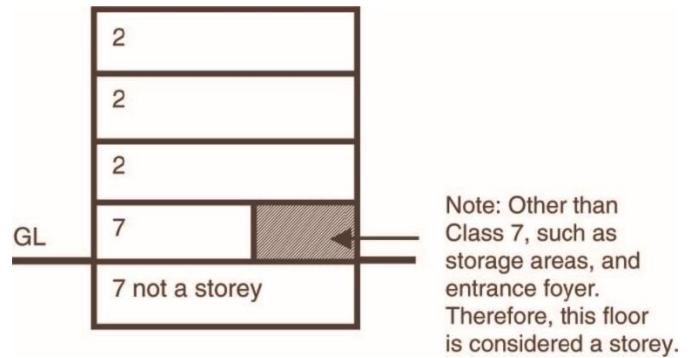


Figure 7 -Rise in storeys = 4 (1 x Class 2 storey and 1 x Class 7 storey) DBI not required

Note: The floor below ground level is not considered in the calculation of rise in storeys as per BCA clause C 1.2(b)(ii).

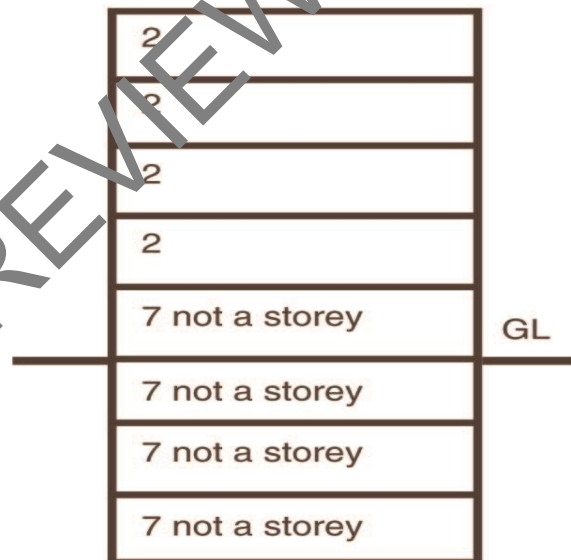
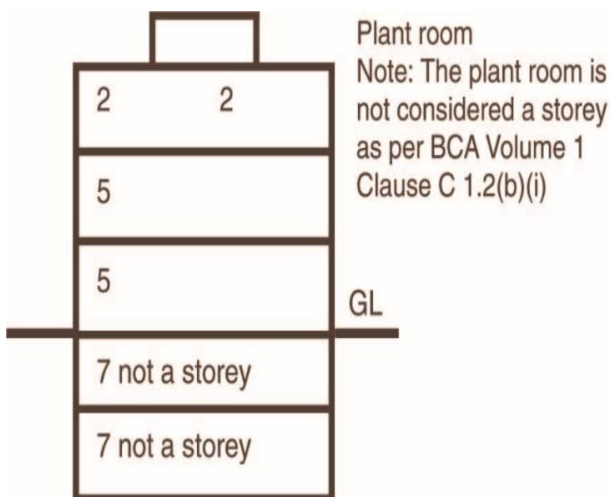


Figure 8 - Rise in storeys = 4 (4 x Class 2 storeys) DBI not required.

Note The floors below ground level are not considered in the calculation of rise in storeys as per BCA clause C 1.2(b)(ii).

The Class 7 floors only contain accommodation for vehicles, therefore they are not considered a storey. Fire escape stairways and lift lobbies are allowed.

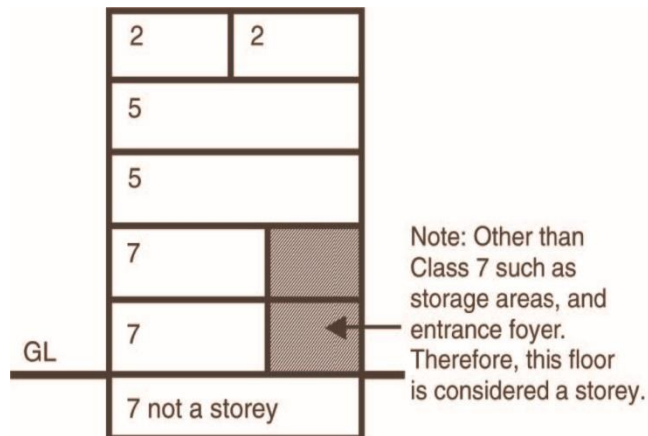


Plant room
 Note: The plant room is not considered a storey as per BCA Volume 1 Clause C 1.2(b)(i)

Figure 9 - Rise in storeys = 1 (1 x Class 2 storey) DBI required.

Note In the example above, the works described in the major domestic contract are for the construction of the Class 2 components. When measured from ground level, the work included in the major domestic building contract has a rise in storeys of one. The floors below ground level are not considered in the calculation of rise in storeys as per BCA clause C 1.2(b)(ii).

The floors below ground level are not considered in the calculation of rise in storeys as per BCA clause C 1.2(b)(ii).



Note: Other than Class 7 such as storage areas, and entrance foyer. Therefore, this floor is considered a storey.

Figure 11 - Rise in storeys = 3(1x Class 2 storey and 2 x Class 7 storeys) DBI required.

Note The works described in the major domestic building contract are for the construction of the Class 2 and 7 components. When measured from ground level, the domestic building work has a rise in storeys of three.

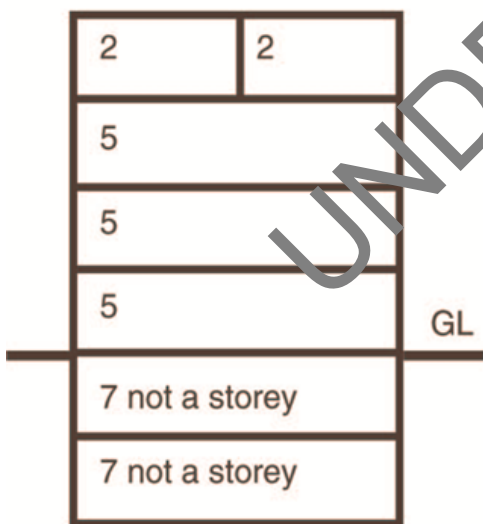
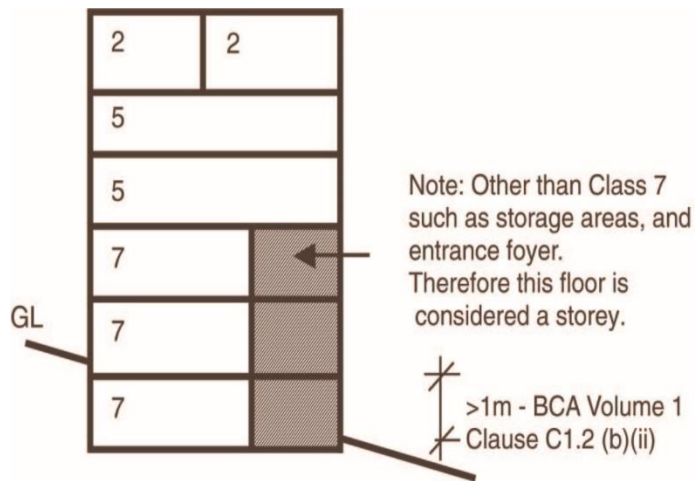


Figure 10 - Rise in storeys = 1 (1 x Class 2 storey) DBI required.

Note In the example above, the work described in the major domestic contract is for the construction of the Class 2 components. When measured from ground level, that work has a rise in storeys of one.



Note: Other than Class 7 such as storage areas, and entrance foyer. Therefore this floor is considered a storey.

>1m - BCA Volume 1 Clause C1.2 (b)(ii)

Figure 12 - Rise in storeys = 4 (1 x Class 2 storey and 3 x Class 7 storeys) DBI not required

Note The work described in the major domestic building contract is for the construction of the Class 2 and 7 components. When measured from ground level, that work has a rise in storeys of four.

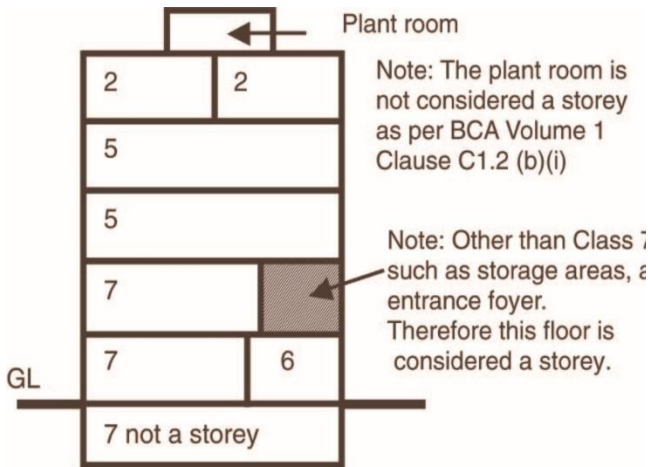


Figure 13 - Rise in storeys = 3 (1x Class 2 storey and 2 x Class 7 storeys) DBI required.

Note- The work described in the major domestic building contract is for the construction of the Class 2 and 7 components. When measured from ground level, that work has a rise in storeys of three.

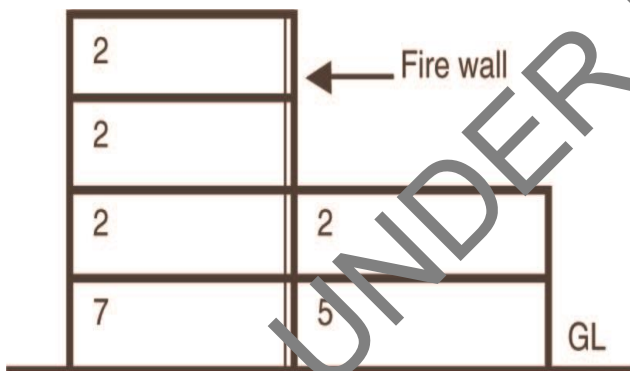


Figure 14 - Rise in storeys = 4 (3 x Class 2 storeys and 1 x Class 5, 7 storey) DBI not required.

Note- The works described in the major domestic building contract are for the construction of the Class 2 and 7 components. A fire wall has been used to separate the two storey Class 5 and Class 2 part of the building from the remainder.

The provision of fire walls only relates to a part of a building being regarded as a separate building for the purposes of Sections C, D and E of the BCA in accordance with clause C2.7 (b). The provision of fire walls is not relevant to determining the requirement for insurance.

The building shown above has a rise in storeys of four. This is because the ground floor storey is a Class 7 and Class 5 part and is therefore regarded as a storey and with the three storeys of Class 2 above, the rise in storeys is four.

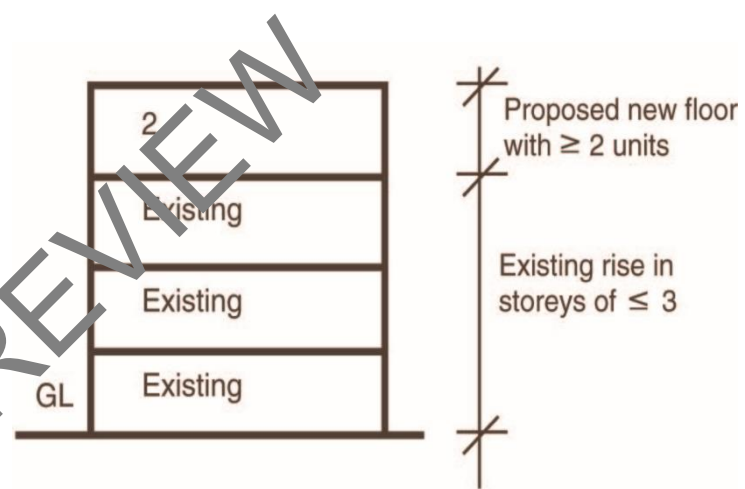


Figure 15 - Rise in storeys = 1 (1 x Class 2 storey) DBI required.

Note- The requirement for DBI relates to the work described in the major domestic building contract. In the example above, the contract is for the construction of an additional single storey. When measured from ground level, the work has a rise in storeys of one.

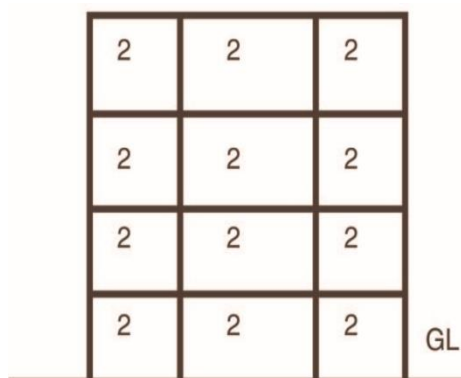


Figure 16 - Rise in storeys = 4 (4 x Class 2 storeys)
DBI not required.

Note- In the case above, the existing building is being refurbished and converted to a Class 2 building. The major domestic building contract describes work related to the construction of alterations which, when measured from ground level, has a rise in storeys of four. The definition of construct in the *Building Act 1993* includes alterations to a building and so the exemption from the provision of warranty insurance will apply even though the walls and supporting structure are not part of the construction.

If figure 16 were a proposed new building constructed as 'shell and core' it would also be exempt. If the major domestic building contract for the fit out described works relating to a rise in storeys of more than three (the entire building), then the exception from the provision of DBI would also apply.

However, if a major domestic building contract described works relating to the fit-out of a single dwelling or part of the building having a rise in storeys of not more than three, then the exception would not apply and DBI would be required.

Further information

Want to know more?

If you have a technical enquiry, please email technicalenquiry@vba.vic.gov.au or call 1300 815 127.

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UNDER REVIEW