



## HIA Members Ask...

### Question:

#### **Can I charge for a quote? Quoting is impacting on my cash flow...**

A recent member concern was raised regarding the provision of quoting for projects free of charge and the impact that this practice can have on a businesses cash flow. This is particularly an issue where a business produces detailed plans, and incurs considerable cost, in producing the quote.

What are the legal implications of charging a prospective client for a quote?

#### **All States (other than Victoria)**

There is no legislative prohibition on charging for a quote.

If you intend on charging a client for a quote then it is imperative that the client is made aware of the cost of providing that quote prior to the work being performed. As always, it is best that the appropriate details are evidenced in writing and signed by the client.

HIA provides a Preliminary Service Agreement (PSA) which may be used to cover work prior to signing the HIA K,B&L contract. This contract is unique to each region due to different State Consumer Protection Laws, but in general the PSA:

- Is a one page document which has a carbonated page to ensure both you and your client receive an exact duplicate;
- Provides you the opportunity to detail the work you will perform, and that which you will not perform, in developing the quote;
- Includes a term that;
  - you retain copyright in all documents that you create; and
  - the agreement, in itself, does not create an implied licence permitting your client to use the documents.

The PSA cannot be used as a contract for the performance of "building work".

#### **Victoria**

In Victoria, a preliminary agreement cannot be used if the preliminary works such as plans and designs are valued at \$5,000 or more.

**For assistance with your legal and contractual obligations call the HIA Workplace Services Team for assistance on the memberline 1300 650 620.**