SPASA
SWIMMING POOL & SPA ASSOCIATION

SPASA Contracts: Guidance Note #1

MANAGING COST INCREASES AND YOUR POOL BUILDING CONTRACT

Recovering genuine additional cost under SPASA and equivalent pool / spa contracts.

This guidance note is designed as a practical tool for SPASA members across Australia and New Zealand. It explains how a builder may lawfully and contractually recover genuine additional cost after contract signing. The key discipline covered in the guide is to identify the actual contractual trigger for the extra cost, rather than attempt a bare post-contract price rise.

Members using older SPASA Contracts or bespoke contracts can use this guidance note to identify the similar clauses in those contracts that can be relied upon.

Western Australia and Victoria require particular care because general rise-and-fall or general price escalation is either prohibited or heavily constrained. In those jurisdictions, the safer path is usually to use the contract's existing mechanisms for delay, variation, latent conditions, provisional sums / prime cost items, compliance changes, authority-driven changes, customer default and late payment.

INTRODUCTION

At times builders and clients will be faced with unique circumstances that place pressure on a building contract and the associated costs for building work after a contract is signed. In that context, SPASA provides the following guidance note to assist members understand the provision of a contract and to lawfully use the contract to accommodate potential variations. The purpose of this note is not to encourage unsupported price increases. It is to explain how a member can lawfully and contractually recover genuine additional cost where the contract and the surrounding facts properly allow it.

For every member, in every jurisdiction, the starting point should be the same: do not ask whether the price can simply be increased because the market has changed. Ask instead what legal and contractual event has occurred that justifies a change to time, scope, risk allocation or payment. Once the cause is identified correctly, the contract usually already contains the mechanism that should be used.

That means ordinary market movement should not be dressed up as something it is not. However, where the real issue is a delay beyond the builder's control, a customer-caused delay, a change in authority requirements, a latent condition, a service strike, incorrect site information, the need for an additional survey, a provisional sum overrun, a prime cost overrun, a compliance change, a written variation, an urgent protective item of work, or late payment by the customer, the contract may support a legitimate adjustment.

1. Identify the reason for the change and the right mechanism

The following working rule is intended to guide members in identifying the correct contractual pathway when cost, time or scope issues arise during a project. Rather than treating every change as a general claim for additional money or time, members should first determine the true source of the issue and then apply the specific contract mechanism that deals with it. This helps ensure that claims are made properly, notices are issued on time, and contractual rights are preserved.
The guide is contract focused, but some jurisdictions impose statutory controls on variations, progress payments and contract administration.

- If the work has changed, use the variation machinery.
- If the time has changed because of an Eligible Delay, use the extension of time and delay-cost machinery.
- If the actual cost of an allowance item has changed, use the provisional sum or prime cost mechanism.
- If the site is different from what could reasonably have been known at contract date, use the latent condition / excavation / service-line clauses.
- If the extra cost comes from the customer's act, default or omission, use the customer-delay, suspension, payment-default and termination machinery.
- If the extra cost comes from law, approvals, authorities or certifiers, use the compliance / authority-driven variation clauses.
- If the issue is simply general inflation, labour increases or material cost increases, do not assume that is recoverable unless the contract and the applicable law clearly permit it. In ACT, NSW, QLD, SA and TAS, check Clause 15.2 availability and the 10% per-notice cap. In VIC and WA, no general escalation clause is available.
- Document every notice, direction, approval and instruction in writing at the time it is given or received. Late or reconstructed notices frequently fail. See the notice checklist at Section 8.

2.SPASA Pool Building Contracts – principal contractual levers

A. Delay, time and prolongation-related recovery

The clause map below is intended as a practical reference point for identifying the principal contractual levers available when delay, disruption, prolongation or customer-caused interference affects the works. Its purpose is to help members move beyond general assertions of increased cost and instead locate the specific clause that may support an entitlement to additional time, additional money, suspension rights or, in more serious cases, termination rights. Each issue should be assessed by reference to its actual cause, the wording of the contract, and the notice requirements that apply.

Clause / mechanism	When should it be used	How / why it supports recovery	Cross-references & notice requirements
Definitions – Eligible Delay / Compensable Cause	Use first when a project has been slowed or disrupted by authority delay, neighbour dispute, court order, customer default, wet weather, industrial dispute, material unavailability or another cause outside the builder's control.	These definitions frame whether the builder can move the Date for Completion and, in many cases, whether the builder can also recover cost. They are the gateway provisions for many delay claims and should be checked before any money claim is framed.	Cross-ref: Clause 11.2 (extensions of time); Clause 11.4 (delay costs). Note: the Compensable Cause definition is narrower than Eligible Delay, a cause may entitle the builder to time but not cost. Always confirm the cause falls within both definitions before framing a cost claim.
Clause 11.2 – Extensions of time	Use where an Eligible Delay has occurred. The builder should issue notice promptly and identify the cause, the time impact and, where relevant, an estimate of cost.	If notice is given correctly, the Date for Completion moves. Where the cause is also a Compensable Cause, the contract permits an increase to the Contract Price for the costs incurred as a consequence of that delay. This is one of the strongest alternatives to a bare escalation argument.	Cross-ref: Definitions – Eligible Delay / Compensable Cause; Clause 11.4 (delay costs); Clause 15.3 (changes to Contract Price). Notice tip: give written notice as soon as reasonably practicable after the delay event. Late notice may extinguish or reduce the entitlement. Record the cause, date of onset and expected time impact contemporaneously.
Clause 11.4 – Delay costs	Use where the delay is caused by an act, default or omission of the customer or the customer's agent, such as late selections, late approvals, late finance, access failure, late payment, refusal to sign a necessary variation, or other customer interference.	This clause turns customer-caused delay into a money claim. Depending on the contract, the builder may claim the agreed daily amount or actual delay cost calculated by reference to reasonable rates and prices, whichever is greater.	Cross-ref: Clause 11.2 (extensions of time must usually be claimed first); Definitions – Compensable Cause; Clause 22 (suspension). Keep a contemporaneous cost log: time on site, labour standing costs, equipment holding costs, and finance charges. Delay costs require a causal link between the customer act and the actual cost incurred.

Clause 22 – Suspension	Use where the customer is in substantial breach, fails to pay, fails to provide evidence of title or capacity to pay, refuses a required variation, interferes with the works, or fails to provide access. It may also apply for weather or disrupted possession.	Suspension protects the builder from being forced to continue in a prejudicial position. The contract also ties suspension back to delay-cost recovery, and damage or deterioration during suspension may itself generate a further variation claim.	Cross-ref: Clauses 24 and 26 (termination); Clause 11.4 (delay costs); Clause 28 (payment default). Give suspension notice in writing, specifying the breach and the date from which suspension takes effect. Maintain site security and safety during suspension. If the breach is not remedied within the contractual cure period, consider whether termination rights are triggered under Clauses 24 or 26.
Clauses 24 and 26 – Termination by builder / payment on termination	Use where the customer does not remedy a serious default after notice, or where a required variation / survey / approval issue remains unresolved and the contract permits termination.	These clauses do not themselves create a variation, but they preserve the builder's ability to recover the value of work done, items and materials paid for, reasonable costs incurred and, in some cases, loss of profit or opportunity up to the contractual cap.	Cross-ref: Clause 22 (suspension must usually precede termination); Clause 28 (payment default); Clause 15.1(f) (interest on unpaid amounts). Obtain legal advice before exercising termination rights. Confirm the prescribed notice periods and cure periods have been strictly observed. Terminating without following the contractual procedure may expose the builder to a wrongful termination claim. Note: Seek advice being considering suspending or terminating a contract.

B. Variations, site risk, compliance and authority-driven changes

The clause map below identifies the principal contractual mechanisms that may support recovery where the issue arises from changes to the work, site conditions, compliance obligations, authority requirements or other matters affecting the scope or cost of performance. Rather than treating these matters as general cost escalation, members should first consider whether the contract provides a specific pathway through the variation, latent condition, provisional sum, prime cost, site information or compliance provisions. Correctly characterising the issue at the outset is critical to preserving entitlement and meeting the applicable notice requirements.

Clause / mechanism	When it should be used	How / why it supports recovery	Cross-references & notice requirements
Clause 7.2(c) – Approval authority fees or charges	Use where the contract price included authority, permit or approval fees, but those fees or charges change after the contract date.	The fee change is deemed to be a variation. This is a direct and contractually neat route where the extra cost is caused by an authority, not market inflation.	Cross-ref: Clause 12.2(b) (compliance with laws and authority requirements); Clause 15.3 (changes to Contract Price); Clauses 14.1–14.4 (variation machinery). Attach the authority invoice or fee schedule showing the change. Note the contract date fee estimate and the revised amount.
Clause 12.1(a) – Excavation obstacles and service lines	Use where power, water, sewer, stormwater, gas or other services affect excavation, require relocation, or are damaged despite due care and must be repaired or replaced.	The builder may direct that the work is a variation, or that it is excluded and must be arranged by the customer. This is important for unexpected underground conditions and service strikes.	Cross-ref: Clauses 14.1–14.4 (variation machinery); site information / survey clauses. Photograph conditions before and after. Issue the variation direction promptly. If services were incorrectly shown in customer-supplied plans, cross-refer to the site information clause as a further basis.
Clause 12.2(b) – Compliance with laws and authority requirements	Use where the requirements of law, approvals, authorities or utilities that apply to the works differ from the requirements at contract date and increase cost.	The additional cost becomes a variation. This is one of the clearest pathways for authority-driven or compliance-driven cost increases and should be used instead of a general escalation argument.	Cross-ref: Clause 7.2(c) (authority fees); Clause 15.3; Clauses 14.1–14.4. Document the changed requirement with the relevant regulation, council notice or authority letter. The change must have occurred after the contract date. A change known or foreseeable at contract date will not usually support this clause.

Clause 12.5 – Provisional sums and prime cost items	Use where the actual cost of an allowance item exceeds the estimate stated in the contract, such as drainage, spoil removal, traffic control, cranage, piling, fittings, equipment or other nominated allowance items.	The excess amount, together with the builder's margin, is added to the Contract Price. This is not a rise-and-fall claim. It is an agreed contractual adjustment built into the original pricing structure.	Cross-ref: Clause 15.3 (changes to Contract Price). The PS/PC estimate must be genuine at contract date. Deliberately understating an allowance to win work and then claiming the excess may be characterised as misleading conduct. Obtain genuine quotes for high-risk allowance items before signing. Notify the customer of any overrun promptly rather than at final account.
Clauses 14.1–14.4 – Variations, latent conditions and urgent work (state contract dependent)	Use where the work needs to change because of customer instruction, certifier / council / surveyor requirements, latent conditions, urgent protective work, or another contractual trigger.	The variation machinery is the principal route for recovering additional cost where the work itself has changed. In most contracts, variations also carry time consequences. In the Victorian contract, builder-initiated variations must comply carefully with clause 14.2, but the contract expressly recognises unforeseeable circumstances such as latent conditions, urgent work, incorrect site information, the need for a site survey, authority fee increases, compliance changes, service-line work and damage during suspension.	Cross-ref: Clause 12.1(a); Clause 12.2(b); Clause 12.5; Clause 11.2 (time impact of variations); Clause 7.2(c). In WA, variation rights are supplemented by the Home Building Contracts Act statutory exceptions. Do not perform substantial additional work before issuing a variation direction unless the contract genuinely permits urgent work to proceed on that basis.
Site information / survey clauses (including clause 6 pathways where applicable)	Use where the customer's site information is incomplete or incorrect, or a survey becomes necessary to identify the correct location, boundaries or services.	Where the contract permits, the builder may require the customer to obtain the survey, recover the survey cost and related work as a variation, and ultimately suspend or terminate if the issue is not resolved. This is a practical risk-allocation tool for pre-start or early-stage pricing errors tied to site information.	Cross-ref: Clauses 14.1–14.4 (variation machinery); Clause 22 (suspension). Document reliance on customer-supplied information in writing at or before contract signing. If a discrepancy is found during excavation, photograph the conditions and issue the variation notice before committing to additional cost.

C. Payment, default and price-adjustment structure

This section addresses the principal contractual mechanisms dealing with payment default, overdue-payment interest, and changes to the Contract Price. It is intended to help members identify when an amount is properly recoverable under the contract, when a price adjustment pathway is available, and when no entitlement arises unless the contract expressly provides for it. These clauses should be approached with care, as recovery will usually depend on strict compliance with the relevant contractual trigger, the applicable notice requirements, and the supporting records

Clause / mechanism	When it should be used	How / why it supports recovery	Cross-references & notice requirements
Clause 15.1(f) – Interest on overdue payments	Use whenever the customer does not pay a progress claim or other amount due within the contractual time.	Interest is a direct contractual recovery for financing cost caused by late payment. It should be claimed as interest, not treated vaguely as a general cost increase.	Cross-ref: Clause 22 (suspension — late payment may also trigger suspension rights); Clause 28 (payment default). Calculate interest from the day after payment was due. Include the interest amount in the next progress claim or in a separate demand. Keep a payment register showing each claim, due date and actual payment date.
Clause 15.2 – Wholesale price adjustment (only in some SPASA contracts)	Use only in the contracts that expressly contain it, and only where the wholesale price of materials used in the works has increased or decreased after contract date and before completion.	In the ACT, NSW, NT, QLD, SA and TAS contracts, this clause permits aggregate wholesale material price movement to be added to or deducted from the Contract Price, subject to notice and the customer's termination right if a single notified increase exceeds 10%. This mechanism does not appear in the current VIC contract and is marked 'Not used' in the WA contract.	Cross-ref: Clause 15.3 (master price-change index); Section 4 (jurisdiction availability). Do not notify increases piecemeal to avoid the 10% trigger per notification — the aggregate increase across all notifications may still expose the builder to challenge. Where the clause is available, use it for genuine wholesale material cost movement, not as a proxy for labour, fuel or general overhead increases.

Clause 15.3 – Changes to the Contract Price	Use as the cross-reference map for price movement under the contract. Note in WA, the contract has this clause at 15.2	This clause is effectively the contract's price-adjustment index. It points the parties back to the real triggers: provisional sums / prime cost items, variations, overdue-payment interest, delay costs, and, in some states, wholesale material price movement.	Cross-ref: All price-adjustment clauses. This is the master hub. Before finalising any claim for additional cost, check each category listed in Clause 15.3 and confirm the claim is rooted in one of those categories. A claim that cannot be anchored in one of the listed categories is unlikely to be recoverable under the contract.
Clause 28 – Default on payments / retention of title style protection	Use where the customer is in payment default and the builder needs contractual security while amounts remain unpaid.	This clause does not itself generate a new variation amount, but it strengthens the builder's position in pursuing unpaid sums and preserving rights in goods, materials and work pending payment.	Cross-ref: Clause 22 (suspension); Clauses 24 and 26 (termination); Clause 15.1(f) (interest). Where retention of title applies, document which goods and materials remain unpaid for and ensure they are clearly identified and segregated on site. Do not allow the customer to take possession of goods to which title has not passed.

3. Rise and Fall clauses – where can they assist?

The position on post contract cost recovery (often known as rise and fall clauses) is not uniform across all states. While the core contractual disciplines remain the same, members should identify the real cause of the additional cost, use the correct clause, and comply strictly with notice and documentation requirements. The extent to which broader price-adjustment mechanisms are available will depend on the contract form and the law applying in the relevant state, territory or country.

The table below provides a high-level guide on whether such clauses can be relied upon. It should be read as a practical starting point only, not as a substitute for checking the specific contract and the applicable local law.

<table>
<tr><th>Jurisdiction group</th><th>Position on broad escalation</th><th>Practical member approach</th><th>Key clause availability</th></tr>
<tr><td>ACT / NSW / NT / QLD / SA / TAS</td><td>The SPASA contracts include clause 15.2 which is a wholesale material movement mechanism only, and should not be used as a substitute for labour, freight, fuel or general overhead increases.</td><td>Members may still prefer to frame many claims through the more specific pathway that actually caused the additional cost, such as delay, variation, latent conditions, compliance changes, authority changes, PS / PC overrun or late payment. A targeted claim is usually easier to explain and defend.</td><td>Clause 15.2: Available
10% cap per notice
Clause 11.2, 11.4, 12.5, 14.1–14.4, 15.3: All available</td></tr>
<tr><td>Victoria / Western Australia</td><td>In both Victoria and Western Australia, the current legislation prohibits the use of rise-and-fall clauses, so ordinary post-contract increases in labour and material costs are not recoverable as a free-standing price-rise claim.</td><td colspan="2">Use builder-variation, latent condition, authority fee, changed-compliance, service-line, site-survey, delay and customer-default clauses with disciplined notice and documentation. Do not present ordinary inflation, labour increases or general material increases as a free-standing post-contract price increase.
VIC: Clause 15.3 outlines the situations where the Contract Price is subject to change.
WA: Clause 15.2 outlines the situations where the Contract Price is subject to change.</td></tr>
<tr><td>New Zealand</td><td>Generally, a builder in NZ can increase the price in a Fixed Price Building Contract where there are specific contractual provisions that allow for it, such as rise and fall clauses, prime costs, provision sums, or special conditions.</td><td>Subject to contract used, identify the specific contractual trigger (variation, PS/PC overrun, authority change, customer delay).</td><td>Apply variation and delay machinery as primary levers.</td></tr>
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4. Equivalent approach for members not using SPASA Contract

Members who are not using the SPASA contract should be cautious about assuming that their current contract provides the same level of protection, clarity or commercial utility. The SPASA contract is regularly reviewed, road-tested in practice, and updated over time to reflect industry experience, customer issues, legislative change and legal feedback.

If you are using a bespoke, legacy or other non-SPASA contract, now is an excellent time to have it independently reviewed by a lawyer or other suitably qualified contract specialist. A proper audit of your terms and conditions can help ensure that the contract remains legally compliant, that it aligns with applicable mandatory local legislation, and that its key commercial and risk-allocation mechanisms are operating as intended.

That review should extend well beyond the general wording of the contract. It should include the payment regime, including deposits, stage claims, milestone definitions, final payment provisions and the timing and content of payment notices, to ensure those provisions are both compliant and practically enforceable. It should also include the variation procedure, notice clauses, extension of time provisions, provisional sum and prime cost mechanisms, suspension and termination rights, default provisions, interest entitlements, and any clauses dealing with latent conditions, authority changes, compliance costs, site information and delay.

In practical terms, a contract review of this kind can help members reduce risk, preserve entitlement, improve recoverability, protect margin and cash flow, and minimise the chance that a defective payment schedule, non-compliant deposit provision, poorly drafted stage claim regime, inadequate notice clause or ineffective suspension or termination mechanism will undermine their position when a dispute arises.

5. Common pricing and notice mistakes to avoid

For members, the contract should be treated as a working tool, not just a document signed at the start of the job and revisited only when a problem arises. Even a strong contract will do very little to protect a member who does not follow its procedures, issue the required notices, or maintain proper project records. The common mistakes below are therefore worth close attention, because they are often the very things that undermine an otherwise legitimate entitlement.

- Do not issue a bare notice saying that shells, concrete, labour, freight or fuel have become more expensive and therefore the contract price has increased.
- Do not characterise ordinary inflation as a latent condition, variation or compliance change unless that is genuinely what occurred.
- Do not rely on delay-cost machinery without proper notice, a causal explanation and evidence of actual time and cost consequence.
- Do not understate provisional sums or prime cost allowances at contract date in order to create a later uplift opportunity.
- Do not perform substantial additional work first and try to sort out the paperwork later unless the contract genuinely permits urgent work to proceed in that way.
- In Western Australia, Clause 15.2 is written to outline when the Contract Price is subject to change. In Victoria, this is handled under Clause 15.3. Wholesale price adjustment it is not permitted by either state's laws and hence is not available under the applicable SPASA contract.
- Where the clause applies, do not aggregate multiple small notices under Clause 15.2 to avoid the 10% per-notice cap without taking legal advice on whether the aggregate exposure triggers the customer's termination right.
- Do not issue delay-cost or suspension notices without maintaining a contemporaneous record of the cost consequences as they accrue. Reconstructed records are harder to defend.
- Do not rely on verbal directions, approvals or refusals alone. Confirm them in writing immediately and file them against the project record.

6. Notice requirements checklist

Strict compliance with notice requirements is one of the most important disciplines in contract administration. Most SPASA and equivalent contracts impose time-bar provisions that extinguish claims if notice is not given promptly and in the correct form. The checklist below should be read alongside the clause map in Section 3.

Claim type	Minimum notice content required	Common failure points
Extension of time (Clause 11.2)	Written notice given as soon as reasonably practicable after the delay event. Identify: (a) the Eligible Delay cause; (b) the date of onset; (c) the estimated time impact; (d) where the cause is also a Compensable Cause, an estimate of the cost consequence.	Late notice. Failure to identify the cause with sufficient specificity. Conflating multiple delay events without separate particulars. Not maintaining a contemporaneous delay register.
Delay costs (Clause 11.4)	Written notice identifying: (a) the act, default or omission of the customer; (b) the date of that act; (c) the time period during which cost was incurred; (d) the cost components (labour standby, plant, finance, overheads).	Characterising general inflation or material cost increase as a customer-caused delay. Absence of a cost log linking the customer act to the actual cost. Claiming delay costs without first obtaining an extension of time under Clause 11.2.
Variation – builder-initiated (Clauses 14.1–14.4)	Written variation direction (or variation proposal in VIC) identifying: (a) the scope change; (b) the contractual basis (latent condition, compliance change, authority requirement, urgent work etc.); (c) the price adjustment; (d) the time adjustment if any.	Proceeding with varied work before issuing the direction or reaching agreement. In VIC, failing to follow the Clause 14.2 process. Describing a general cost increase as a scope change.
Provisional sum / prime cost overrun (Clause 12.5)	Written notice as soon as it becomes apparent the actual cost will exceed the allowance. Identify: (a) the allowance item; (b) the estimated amount; (c) the actual or anticipated actual cost; (d) supporting quotes or invoices.	Notifying at final account rather than as costs emerge. Failure to obtain competitive quotes before the works are awarded. Not including the builder's margin in the adjustment.
Interest / late-payment claim (Clause 15.1)	Written notice identifying the unpaid amount, the date of the claim, the due date, the date from which interest runs, the contractual rate or basis, and the interest amount claimed.	No payment register, unclear due date, incorrect interest calculation, or failure to link the interest claim to a specific unpaid amount.
Wholesale price adjustment (Clause 15.2 *(except WA & VIC) applicable states only)*	Written notice stating: (a) the materials affected; (b) the wholesale price at contract date; (c) the current wholesale price; (d) the aggregate movement amount. Attach price evidence.	Using retail prices rather than wholesale prices. Notifying a single increase that exceeds 10% of the contract price without checking the customer's termination right. Applying the clause in VIC or WA where it is not available.
Suspension (Clause 22)	Written notice identifying: (a) the breach or ground for suspension; (b) the date of suspension; (c) the cure period (if any) within which the customer may remedy.	Suspending without written notice. Failing to specify the cure period. Continuing to incur costs on site after suspension is notified without contractual authority.

7. Record keeping matters

For members, documentation is not merely an administrative exercise; it is a core part of preserving contractual rights. Many claims fail not because the entitlement did not exist, but because the supporting records are missing, incomplete, issued too late, or incapable of demonstrating a clear link between the event, the contractual mechanism relied upon, and the resulting time or cost consequence. In other words, the problem is often not the merits of the claim, but the inability to prove it properly.

That is why contemporaneous records matter. When a delay occurs, a variation is directed, a latent condition is discovered, an allowance item overruns, an authority requirement changes, or a payment falls overdue, the member should be able to show exactly what happened, when it happened, what was done in response, and how the issue was documented under the contract. That level of discipline strengthens recoverability, improves credibility, and reduces the risk of later disagreement about events that may otherwise be disputed or imperfectly remembered.

The records set out below should be managed from contract signing and updated throughout the life of the project. Together, they provide the foundation for effective contract administration, timely notices, sound decision-making and, where necessary, defensible recovery.

- **Project diary / site log:** A daily record of weather conditions, workforce numbers, visitors, instructions given or received, work completed and any unusual events. Signed by the site supervisor each day.
- **Delay register:** A register of each delay event, identifying: the cause, the date of onset, the expected duration, the date of resolution, and the clause under which a notice has been given. Updated weekly.
- **Variation register:** A register of each variation direction or request, showing the variation number, description, clause basis, date of direction, quoted price, customer acceptance status and date, and final agreed price.
- **Payment register:** A register of each progress claim, the date issued, the due date for payment, the date of actual payment and the amount of any underpayment. Used to calculate interest under Clause 15.1(f).
- **PS / PC cost tracking:** A live tracking spreadsheet for each provisional sum and prime cost item, showing the contract estimate, quotes obtained, actual invoices and the running over- or under-run position.
- **Correspondence file:** A file (electronic or physical) of all written notices, instructions, emails, approvals and refusals, organised by date. Verbal instructions should be followed up in writing within 24 hours.
- **Photographic record:** Dated photographs of site conditions at key stages: pre-excavation, during excavation (particularly for service strikes or latent conditions), structural stages and any damage events.
- **Wholesale price evidence:** For Clause 15.2 claims (where available): copies of supplier price lists or invoices showing the price at contract date and the current price for each affected material category.

Note: contract wording and local laws should always be checked before issuing a claim.

Exercise care and caution

It is important that members, the message is clear: do not assume that a general increase in labour, materials, freight or supplier pricing can simply be passed through to the customer because it occurred after the contract was signed. That is rarely the correct contractual analysis and may prejudice you utilising the correct available pathway.

Ensure you identify the true cause of the additional cost, match it to the clause that governs that event, and comply strictly with the applicable notice, timing and documentation requirements. Whether the issue is a variation, delay, latent condition, authority change, allowance overrun, service issue, customer default or payment delay, the claim should be framed through the correct clause that actually deals with the situation at hand.

Recoverability usually depends on precision. The better the issue is characterised, documented and notified and in a timely way, the stronger your position will usually be. A generic price-rise claim may sound commercially rational, but if it is not tied to a recognised contractual entitlement, it may fail.

The key message is that genuine additional cost is not recovered by broad assertion, but by disciplined contract administration. The real issue must be identified, the correct contractual pathway must be used, and the required notices and records must be maintained. Members who do that will be in a much stronger position to preserve entitlements, reduce dispute risks and protect margin and cash flow.

Disclaimer
This guide is intended to provide practical guidance only. The contract in use and the applicable local law should always be checked. SPASA recommends members obtain independent legal advice where the issue is significant, disputed, or may pre-empt a significant contractual dispute with the client.