

## Building permit number, levy and reporting changes from 1 July 2019

Important changes will be introduced to the building permit and levy laws from 1 July 2019, via changes to the Building Act 1993 (the Act) and the Building Regulations 2018 (the regulations).

These changes include;

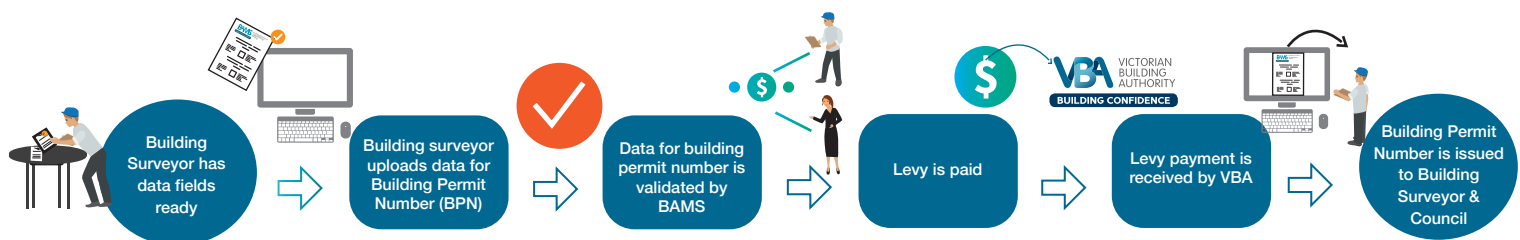
- building permit numbers to be issued by the VBA before the Relevant Building Surveyor (RBS) may issue a Building Permit
- a new duty on owners to notify VBA of revised final cost of work
- new VBA powers to reassess levy after issuance of the building permit
- changes to mandatory monthly reporting duties reflected under regulation 47 and repeal of regulation 46 (monthly levy reporting)

To assist implementation of these reforms the VBA is developing an online system known as the Building Activity Management System (BAMS) to;

- submit an application for a Building Permit Number (BPN)
- process levy payment
- issue BPNs
- submit mandatory monthly reports from RBSs
- submit amendments to the BPN and Building Permit

## Requesting a Building Permit Number (BPN) from 1 July 2019

Under section 18AA RBS must give the VBA the information needed to start the BPN application process. Once the VBA has received all information and payment of the levy, the VBA has five days to issue or refuse to issue a BPN.



Building surveyors will need the required information before applying for a BPN. There are 34 required fields and depending on your answers to the required fields you may need to provide up to 19 'conditionally required' fields. For example if you have advised us that someone else will pay the levy payment, details about the nominated payer are considered 'conditionally required'.

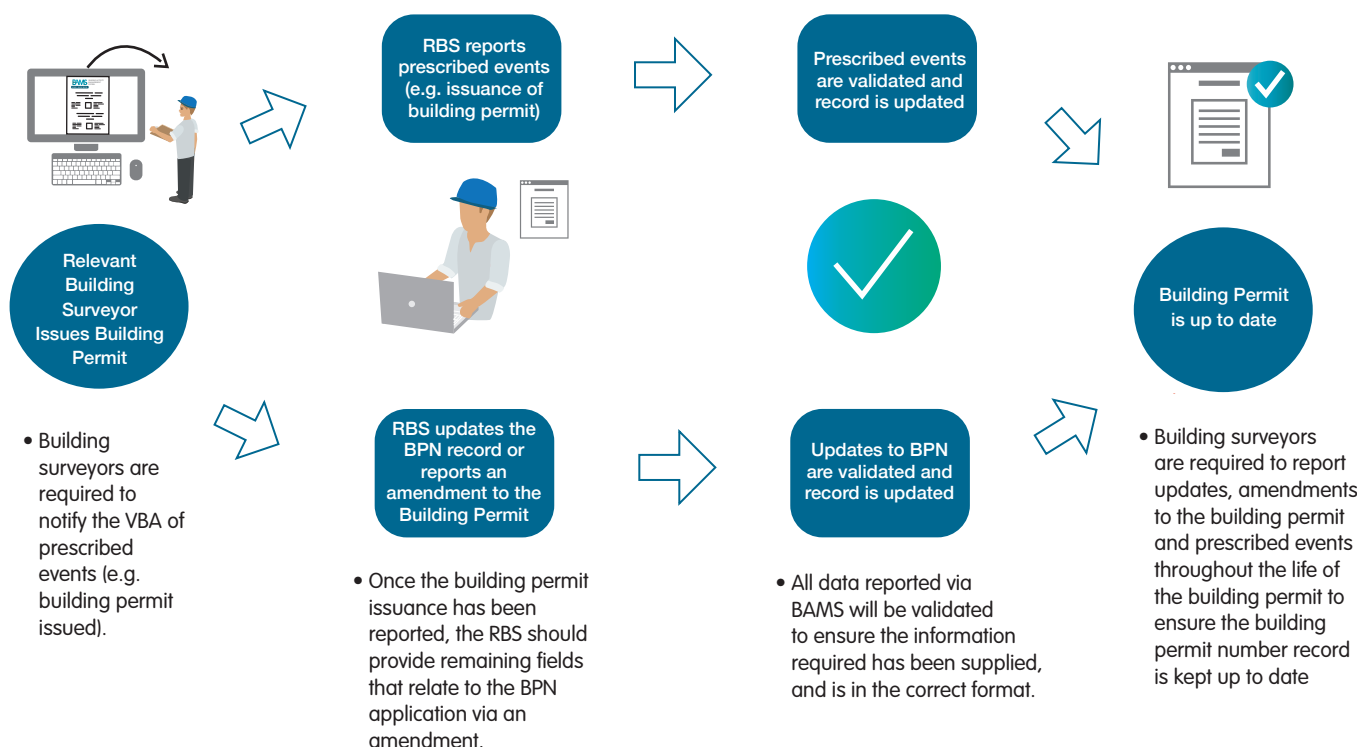
The BPN application will be submitted through BAMS via a single online portal or multiple applications will be made in bulk through a CSV file upload. After the levy payment has been made (via credit card, debit card or BPAY), the RBS will be notified of issued BPN's via email. The RBS can then issue the building permit to the applicant.

## Management of Staged Building Permits within BAMS

For staged building permits, you will be required to apply for a BPN for each stage. Each stage will have its own unique BPN BAMS allows building surveyors to input their own Project ID/ Name during the BPN application process. This Project ID/Name field will be used for all stages for the one project, and acts as the identifier to group the staged permits.

## Updating information after the Building Permit has been issued

Building surveyors are required to ensure the building permit is up to date by providing the VBA with information following the issuance of the building permit. These have been categorised as prescribed events and amendments.



## Updating the Building Permit Number (BPN) record and notification of amendments to the Building Permit details

Building surveyors are required to ensure the BPN record is up to date by providing the VBA with information following the issuance of the building permit. The BPN record should be updated where there are new details that relate to the BPN application, corrections to existing data supplied details or when there have been amendments to the building permit details. This can be done at any time, and will be done through the online portal, or an uploaded CSV file. An example of this is where there has been a change of builder or a change of owner. If you submit updates via the bulk upload process you will use the same CSV file template as the BPN application.


## Reporting Prescribed Events relating to Building Work (Regulation 47)

Over the course of construction the RBS is required to report to the VBA 'prescribed events' under Regulation 47 of Building Regulations 2018. A RBS will need to report up to 22 prescribed events dependant on the type of building work. Examples of a prescribed event include: issuance of building permit, final inspection, mandatory notifications such as completion of framework etc. These must be reported to the VBA by the 7th of the month after the event occurring. If you submit prescribed events via the bulk upload process, this is done using a different CSV file template to BPN applications/updates file.

The first prescribed event that is reportable to the VBA is the issuance of the Building Permit. At this stage of the process, the RBS is expected to complete two activities:

1. Notify the VBA of the issuance of the building permit
2. Update the BPN record by providing any outstanding optional and/or conditional fields that were not provided at the BPN application. This will be provided using the update/amend process.

## Information to be provided to the VBA

Description		Data required	Data file template if using the bulk upload process
Request a BPN Request single or multiple BPNs.	➔	<b>34</b> required fields <b>19</b> conditionally required	<b>BPN data file</b> 
Update or amend a BPN record, add new information, correct BPN record or where there are amendments to the building permit details.	➔	<b>13</b> required fields <b>6</b> fields conditionally required <b>24</b> optional fields	
Report prescribed events. Required by the 7th of the month after the event occurring.	➔	<b>22</b> events <b>4</b> required fields <b>8</b> conditionally required	<b>Prescribed Events data file</b> 

## Advising the VBA of the Final Cost of Work (205KA)

Variations to the building work during the life of the permit are likely to result in the cost of work increasing or decreasing from the amount initially estimated, which may increase the amount of levy the VBA is entitled to collect.

- Once a building permit is issued, the owner must monitor the cost of work and maintain records of the cost of work.
- This duty will fall to the owner, or (if the variation related to an amendment of the building permit) the applicant for the building permit.
- Notification is required within 28 days of becoming aware of the revised final cost.
- Where the owner or applicant fails to notify the VBA of a variation to building work, or where false or misleading information relating to the cost of building works has been provided, penalty levy may apply.

## Preparing for 1 July Changes

- BAMS works best in Chrome or Firefox please consider installing in advance
- Consider which method will suit your business - single portal or bulk upload process
- If using the bulk method, determine how frequently your team will need to upload the BPN Application CSV file e.g. daily, twice a day, once a week
- Consider whether you will be requesting the applicant to pay and whether any internal processes need updating
- If you will pay on behalf of the applicant, ensure you have one of the payment methods available - BPAY or Credit Card.

## Preparing for 1 July Changes

- **Website** - BAMS - [www.vba.vic.gov.au/building/bams](http://www.vba.vic.gov.au/building/bams)
- **Website** - 2019 Reforms - [www.vba.vic.gov.au/building/reforms](http://www.vba.vic.gov.au/building/reforms)
- **Email us** at [BAMS@vba.vic.gov.au](mailto:BAMS@vba.vic.gov.au)

Summary	BAEOM provision	Change to the Building Act
On accepting an application for a building permit, the RBS must apply to the VBA for a building permit number by providing the required information to the VBA.	Section 58	New section 18AA
It is an offence for the RBS to issue a building permit unless the VBA has issued a building permit number for that building permit.*	Section 62	New section 23A
<p>The VBA must issue a building permit number if the RBS has provided to the VBA all required information and the levy has been paid.</p> <p>The VBA may refuse to issue a building permit number if the RBS has not given the VBA all the required information and/or the levy has not been paid.</p> <p>The VBA must decide on a building permit number application within 5 days of receiving the required information and payment of the levy.</p> <p>If the VBA refuses to issue a building permit number, it must provide reasons and advise the applicant that they may apply for a review of the decision at VCAT.</p> <p>The VBA must notify the council of the issue of a building permit number and the required information.</p>	<p>Section 63</p> <p>New section 25BA</p> <p>New section 25BB</p> <p>New section 25BC</p> <p>New section 25BD</p> <p>New section 25BE</p>	New Division 3AA of Part 3
The owner or their agent for a building permit must pay to the VBA the levy calculated by the RBS.	Section 67	New section 205GA
<p>The RBS will no longer be required to keep records of amounts received on account of the building permit levy, forward that levy to the VBA or provide the VBA periodic returns.</p> <p>The VBA must be notified of any increase in the building costs by the owner or the owner's agent where there is an increase to the cost of works of at least \$15,625.</p>	<p>Section 69</p> <p>Current sections 205J and 205K will be replaced</p>	New sections 205J, 205K and 205KA
<p>A new power for the VBA to reassess levy after the issue of a building permit will be introduced where there is a variation to the estimated cost of building work, the cost of works was incorrect, or the information provided by the applicant for the building permit was incorrect or misleading.</p> <p>The VBA may issue a notice requesting the payment of additional levy and may impose an additional amount of penalty levy where a person fails to notify the VBA of the increased cost of works or the applicant provided incorrect or misleading information to the RBS.</p> <p>New requirement for the VBA to assess levy where building work is carried out without a building permit and the ability to impose additional penalty levy.</p> <p>Reassessment decisions can be reviewed by VCAT.</p>	<p>Section 70</p> <p>New sections 205L, 205LA, 205LB, 205LC</p> <p>New sections 205LG, 205LH, 205LI, 205LJ, 205LK, 205LL, 205LM, 205LN</p>	New Subdivisions 4A and 4B of Division 2 of Part 12

\*Penalties of 500 penalty units (in the case of a natural person) and 2500 penalty units (in the case of a body corporate) apply.