

Building permits & other exemptions BP 17 | Building Surveyor Business Continuity – Transfer of Function

Audience

The audience for this Practice Note includes -

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|--|---|
| <input type="checkbox"/> Architects/ Designers | <input type="checkbox"/> Owner Builders |
| <input type="checkbox"/> Builders | <input type="checkbox"/> Plumbers |
| <input checked="" type="checkbox"/> Building Surveyors/ Inspectors | <input type="checkbox"/> Real estate management agents |
| <input type="checkbox"/> Engineers | <input type="checkbox"/> Trades and Maintenance (inc. Electricians) |
| <input type="checkbox"/> Home Owners / Residential Tenants | |

Purpose

This Practice Note provides guidance to building surveyors on requirements of the Building Surveyor Code of Conduct to have arrangements in place to allow an applicant to seamlessly transfer their building permit to another building surveyor in case of the building surveyor's inability to practice for example, because they have a prolonged illness, or they are due to retire or any other reason. Having processes in place will assist in reducing the potential for building permits to become detached.

The content below provides guidance on:

- Legislative obligations
- Achieving compliance
- Example approaches
- Measures supporting business continuity
- Misreporting Business Continuity

Abbreviations & Definitions

The abbreviations and definitions set out below are for guidance only. They are not intended to vary those set out in the Building Act 1993, the Building Regulations 2018 or the National Construction Code.

- **Act** – Building Act 1993
- **NCC** – National Construction Code 2022
- **RBS** – Relevant Building Surveyor
- **Regulations** – Plumbing Regulations 2018
- **DBS** – Designated Building Surveyor
- **BSU** – Building Surveyor Unlimited
- **CBSU** - Company Building Surveyor Unlimited



- **BAMS** – Building Activity Management System
- **BPN** – Building Permit Number
- **CFI** – Certificate of Final Inspection
- **OP** – Occupancy permit
- **PE** – Prescribed Event

Legislative obligations

The Code of Conduct for Building Surveyors (Code) was prepared under section 177A(1)(a) of the Building Act. Section 177D of the Act mandates that building practitioners comply with any code of conduct approved under Division 2 of Part 11 of the Act applicable to their category or class of registration.

Part three of the Code, "Perform competently and within the required level of expertise and experience," establishes that building surveyors must possess suitable skills, knowledge, experience, and competence to deliver building surveying services to a professional standard.

To adhere to the principle outlined in Part three, section 3.7 requires building surveyors to implement effective procedures to ensure the completion of their work in cases where they are unable to practice due to reasons such as absence, incapacity, registration lapsing, suspension, or retirement.

Specifically, section 3.7.1 states that private building surveyors must have arrangements in place to facilitate the seamless transfer of a building permit to another building surveyor if they are unable to practice, for instance, due to prolonged illness, retirement, or any other reason.

Division 1A, "Transfer of functions of private building surveyor," and Division 2, "Termination of appointment with consent of Authority," outline the legislative requirements for the transfer of functions. Further guidance on the transfer of functions is available on the VBA's transfer of function webpage.

Achieving compliance

The Act, Regulation and Code do not specify the procedures required for the seamless transfer of building permits, only that building surveyors must have a procedure in place and that it is up to the building surveyor to determine the most appropriate method for them. When developing a process for the transfer of function, building surveyors should consider Division 1A and Division 2 of the Act.

Below are examples of measures that could be taken to ensure compliance with the Code. These are not the only solutions, nor are they exhaustive and are intended to provide guidance to building surveyors when developing a procedure to ensure their work is completed.

Internal Transfer Process - In a company with multiple registered building surveyors, establish a process to transfer permits to another registered building surveyor within the company.

External Arrangements - Form an arrangement with another building surveyor or building surveying company to transfer functions if necessary.

Company Registration Process - Implement a process where all permits are issued under a company registration. Ensure there is a procedure in place to nominate a new Designated Building Surveyor (DBS), either from internal staff or by bringing in an external registered building surveyor, such as a contractor.



Council Review Process - Councils should have a procedure to review all files when a building surveyor leaves and transfer the permits to another building surveyor within the council.

Supporting Business Continuity

To ensure a seamless transfer of function and reduce the number of permits that may require transfer, other measures can be implemented:

- **Documentation Management Process** - Ensure all documentation is complete and readily accessible.
- **Naming Convention** - Implement a clear naming convention for files and documentation, including the BAMS BPN and project details.
- **Company Registration and DBS** - Utilise a company registration and nominated DBS rather than individual registration as the RBS to allow for smoother permit transfers, requiring only notification rather than a transfer request.
- **Quality Management System** - Implement an ISO 9001 quality management system.
- **Comprehensive Documentation** - List all documents relied on for the permit on the Form 2 Building permit, enabling the new RBS/DBS to verify document completeness.
- **BAMS Prescribed Events** - Ensure processes are in place to keep BAMS prescribed events up to date for accurate permit status records.
- **Timely Permit Closure** - Implement processes to close permits promptly to minimise the number needing transfer -
 - Have checks and balances to identify imminent permit lapses and act as required by regulations 47(3), 56, and 57.
 - Ensure CFI or OP is issued for each stage of multistage projects and include the certificate number when reporting PE via BAMS.
- **Regular Software Reviews** - Regularly review building permit software functionality to ensure all prescribed events are reported. Implement manual processes where the software does not automatically report events.
- **Permit Extensions and Lapses** - Ensure permits are extended before their lapse date or report them as lapsed if no extension is applied for by the applicant.
- **Status Reviews** - Regularly review the status of building permits and building work.
- **Final Inspection Follow-up** - Ensure that permits with passed final inspections have their OP/CFI issued, and for those with failed inspections, follow up to bring the work into compliance.
- **Duplicate BPN Monitoring** - Monitor systems for duplicate BPNs and ensure processes minimise duplication. Mark unused duplicate BPNs as refused via BAMS.
- **Oversight of Permit Numbers** - Ensure adequate oversight of building permit numbers and CFI/OP issuance using the surveyor's registration.
- **Permit Management Upon Departure** - When leaving an organisation, building surveyors should ensure they take any open permits using their registration with them or have them transferred to another registered building surveyor.
- **Transfer Measures for Organisations** - Building surveying companies/councils should have measures in place for permit transfer when a building surveyor leaves and supervise the correct use of registration numbers.
- **Manageable Workload** - Ensure workload is manageable.
- **Service Agreements** - Include provisions in service agreements/contracts on how transfer of function will occur.



Examples

Example A – Multiple BSU in a CBSU

Scenario

Company A, a building surveying company, has three directors registered as Building Surveyors (BSU) and holds a Company Building Surveyor (CBS-U) registration. Building permits are issued under the CBS-U registration, and one of the BSU directors acts as the Designated Building Surveyor (DBS).

Situation

- BSU 1, the DBS responsible for 100 open permits, decides to retire.
- The company has a process in place to handle this transition.

Process - Redistribution of Permits

- The permits held by BSU 1 are evenly distributed among the remaining BSU directors within the firm.

Notifications

- The company notifies the council, the owner/agent, and the Victorian Building Authority (VBA) about the change in DBS.

Example B – Single BSU in a CBSU

Scenario

Company B is a building surveying practice with one Building Surveyor (BSU). The BSU needs to take two months leave for surgery and cannot perform their functions. The building permits were issued under the company's CBS-U registration with the BSU nominated as the Designated Building Surveyor (DBS).

Process - Hiring a Contractor

- The BSU hires a contractor, who is also a registered BSU, to act as the DBS during their leave.

Notifications

- The company notifies the council, the owner/agent, and the Victorian Building Authority (VBA) about the change in DBS.



Related Documentation

- Building Act 1993
- Building Regulations 2018
- Code of Conduct for Building Surveyors
- [Transfer of Functions](#)

List of Amendments

- N/A

Document history

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