

FACT SHEET: Information for Homeowners / Applicants

Building permits

A building permit is issued by a Relevant Building Surveyor (RBS) when the RBS is satisfied that the building work will comply with the Building Act 1993 (the Act) and Building Regulations 2018 (the Regulations).

The Act and Regulations require that all building work is subject to the issuing of a building permit, unless an exemption exists for the proposed work. These exemptions include some minor alterations, demolitions, and repair or maintenance work. A building permit will specify whether an occupancy permit or certificate of final inspection is necessary on completion of the building work.

Undertaking building work without obtaining the necessary building permit is a serious offence and can result in severe penalties. The Act prescribes a penalty of 500 penalty units for anyone carrying out building work without a permit equating to an amount more than \$70,000. Imprisonment can also apply where a person 'in the business of building' carries out illegal work.

Obtaining a building permit

The Act and Regulations provide benefits to consumers. Obtaining a building permit ensures:

- The required building practitioners are registered and carry the required insurance(s) where required;
- Adequate documentation is prepared to enable compliant construction of the proposed building;
- An independent review of building documentation occurs;
- Key stages of the work are independently inspected; and
- Your building is independently assessed as suitable for occupation.

Other benefits for owners include ensuring building work is designed to be compliant with building legislation prior to building work commencing.

Application for a building permit

Before applying for a building permit, you need to choose a building surveyor. You may choose either a municipal building surveyor (i.e. your local council) or a private building surveyor. Once the building surveyor has been chosen, they become the RBS. Your architect or builder can apply on your behalf for the permit, but you must first authorise the architect or builder in writing to make the application. The appointment of a private building surveyor must be made by the owner or an agent of the owner other than the builder. Further information on appointing a building surveyor can be found at:

[Appointing a building surveyor | Building and Plumbing Commission](#)

Do not sign a blank form authorising others to obtain all permits for you and always check that a building permit has been issued before any work commences.



The process to apply for a building permit:

1. Appoint either a municipal or private building surveyor as your RBS.
2. Complete an application form for the building permit through your chosen a municipal or private building surveyor.
3. Submit at least three copies of drawings, specifications and allotment plans along with the completed application form and other prescribed information.
4. Your RBS will submit required information to the -BPC through an online application process. It is essential that all information requested by the RBS is submitted in a timely manner, so it does not cause unnecessary delays with your building permit.
5. The Building Permit Levy (Levy) must be paid up front.
6. A **Building Permit Number (BPN)** will be issued to the RBS, and they can then issue you with a Building Permit.

Please note: all building permits must have a 13-digit-BPC BPN on them.

Assessment of a building permit application

Once your building permit application has been lodged with an RBS, they will check that the plans submitted comply with the Act and Regulations and can apply to the -BPC for a BPN. It is at this stage where you or your representative is required to pay the building permit levy. Once a BPN issued the RBS will then decide to issue a building permit with or without conditions. In some instances, they may refuse to issue a permit. If a permit is refused; you can either alter the application to comply with the Regulations or appeal the refusal of the permit to the Building Appeals Board.

The RBS cannot issue the building permit until:

- any required consent of a reporting authority is received (e.g. a consent in relation to such matters as building over an easement or the siting of a carport or a relevant planning permit (if required) is obtained)
- the building permit levy has been paid; and the
- a BPN has been issued by the BPC.

The RBS who issues the permit must follow the project through to the end, carrying out building inspections and issuing an occupancy permit or a certificate of final inspection on completion of your building work.

The RBS must specify on the building permit the mandatory inspections that will be required throughout the course of the building work. There are no restrictions preventing the RBS from varying the required inspections or carrying out additional inspections, if they deem this to be necessary.

If you intend to carry out building work close to an adjoining neighbour's property the RBS can, in some cases, require you to perform work to protect your neighbour's property. This may include obtaining the appropriate insurance cover for the building work prior to commencing the protection work. This is generally determined during the building permit application process. Protection work cannot commence until the adjoining owner has agreed to the proposed protection work.

Calculating the cost of the building work

The Act requires payment of a Building Permit Levy (Levy) based on the cost of building work for which a building permit is required. The Levy must be paid upfront before the BPN and building permit can be issued. The Levy is only payable if the cost of building work is greater than \$10,000.

The building permit applicant must calculate and provide the required values for each component of the CoW formula as part of the building permit application. The relevant building surveyor (RBS) then uses this information to calculate the CoW to ensure the correct BPL is paid.



If the RBS is not provided with the information required by the Form 1, or they have concerns about the suitability or accuracy of the information supplied, they can refuse the building permit.

It is the applicant's responsibility to ensure the information in their building permit application is true, accurate and not misleading.

Application made by an owner-builder

When an owner-builder applies for a building permit they are taking responsibility for carrying out the building work themselves, with or without the help of subcontractors. Because they are not entering into a contract with themselves, no contract price can be used to calculate the cost of the building work (CoW).

Instead, an owner-builder must estimate the building work cost, including the cost of chattels. Chattels will be deducted by the RBS when the CoW is calculated.

Owner-builders may still engage builders, trades or subcontractors to complete parts of the work. If they do:

- The owner builder is recorded as the builder on the permit
- They are responsible for all work carried out under the permit, including any work done by trades or subcontractors they engage.

Because of this, the formula for CoW for owner-builders must:

- Include the cost of work the owner-builder will carry out themselves
- Plus, the contract or agreement price (or estimated amount) for the builders/trades/sub-contractors they engage
- Plus, GST
- Minus, the cost of chattels.

Further information on Owner-builder type of contracts and formula for calculation can be found at:

[Calculating the cost of the building work | Building and Plumbing Commission](#)

How do I make payment for the building permit levy?

Under new section 205GA of the Act, the applicant for a building permit, or a person acting on behalf of the applicant, must pay to the BPC the Levy before the building permit is issued. The person paying the Levy to the BPC could be the applicant, the RBS or any other person that has been nominated to pay the Levy by the applicant. If the RBS is paying on your behalf, they will collect the levy from you as part of their fees.

Where the applicant or person paying on behalf of the applicant is paying the Levy directly to the BPC, they will be issued with an invoice via the email address that they have supplied to the building surveyor. You will have the option to pay via BPAY or credit/debit card.

When you receive the invoice via email, you will be directed to click on a link to take you to the secure payment portal where you can either enter in your credit card details or will be given the BPAY biller code and reference number to make payment via your online banking portal.

- If paying by credit card, the BPN will be issued to the building surveyor immediately upon payment being complete.
- If payment is made by BPAY, please supply your building surveyor with the BPAY receipt number so that they can update the building permit number application. Where a receipt number is provided, the building permit number will be issued to the building surveyor immediately. If the receipt number is not provided, the BPN will be issued within normal banking reconciliation timeframes (approximately 1-2 business days).

You will also receive notification that the Building Permit Number has been issued. **The issuance of a Building Permit Number by the BPC does not mean your RBS has issued a building permit.** Your



building surveyor will determine your application for a building permit and advise you of the outcome. Where a building permit is issued by your RBS, the BPN will be allocated to that building permit.

On completion of the building work under a building permit, you are responsible for notifying the BPC of the final cost of that building work, if the final cost has increased from the calculated cost of works that appears on your building permit.

Important: Obligations to notify the BPC of final cost of work

Key changes

For work carried out under a building permit that is issued on or after 1 July 2019;

- the owner or applicant for a building permit has the duty to notify the BPC of variations to the building work that have resulted in an increase or decrease of the cost of the building work of \$15,625 or higher.
- the BPC must be notified within 28 days of the owner or applicant for a building permit becoming aware of the change.
- the BPC has the power to re-assess a Levy after issuance of a building permit and request payment of additional levy if the final cost of works has increased by at least \$15,625 from the calculated cost of works noted on a building permit.
- the BPC has five years to re-assess levy from the latest date of one of the following;
 - occupancy permit is issued
 - certificate of final inspection is issued
 - building work is practically completed

Obligation to notify the BPC of final cost of building work (s.205ka)

Variations to the building work during the life of a building permit are likely to result in cost of the building work increasing or decreasing from the amount initially calculated, which may change the levy applicable.

Once a building permit is issued, the owner should monitor and maintain records the cost of the building work, which includes the contract price or agreed amount to be paid to the builder or estimate (for owner-builder only), the cost of chattel and the cost of any prescribed excluded items. The owner has a duty to notify the BPC of a change in any of the above amount within 28 days of becoming aware of the change if:

- the building permit is not a staged permit, and
- there will be increase or decrease in the cost of the building work of \$15,625 or higher.

If the change relates to an amendment of the building permit, the applicant is required to notify BPC of the change. For building permit applications accepted on or after 26 November 2025, and the change relates to an amendment of the building permit, the owner/applicant is not required to notify the BPC of the change. Instead, the relevant building surveyor is required to notify the BPC of the revised cost of the building work.

Penalty levy may apply if:

- the owner fails to notify BPC of a variation to the building work that resulted in an increase of the building work, or
- the owner gave false or misleading information relating to the relevant building surveyor or BPC which resulted in the cost of the building work being calculated incorrectly.

The owner can notify BPC by completing the [Notification of change to the cost of building work](#).

For staged permits, BPC may contact the owner at the end of the building work and request information about the final cost of work and supporting documents.

This is required under section 205KA of the Act.



Re-assessment of levy

Where the BPC is advised of a difference between the building surveyor's calculated cost of work and revised final cost of work, the BPC will determine whether to re-assess the Levy paid in relation to the building permit. The BPC may also choose to re-assess Levy before that time if the BPC has information that indicates a re-assessment is required.

Where there is a difference between the calculated and the revised final cost of work, the BPC will calculate the difference between the amount of Levy already paid, and the additional Levy to be paid, and will send an invoice to the owner or applicant to make payment **within 14 days**.

Additional penalty levy for failure or delay in notifying

A person who fails to notify the BPC of the revised final cost of work, or is late to notify the BPC, may be liable to pay re-assessed levy plus penalty levy of up to twice the re-assessed levy amount. (The re-assessed levy amount is the difference between the amount of levy due in respect of the revised final cost of work, and the amount of levy already paid).

The BPC may also impose penalty levy of up to twice the re-assessed levy amount if levy is re-assessed as a result of wrong or misleading information supplied by the applicant for a building permit at building permit application stage.

More information

Visit the [BAMS BPC website](#)

Contact the BPN Industry Support Line on 1300 241 104 or email BAMS@bpc.vic.gov.au.

A copy of the *Building Act 1993* can be found on the [BPC website](#).