

Building Regulation News Update

Building Regulation News Update 0809
Issued: 25 May 2009

BUILDING LEVIES

Purpose

This *News Update* is to clarify the building levies that are payable to the state government.

Background

In addition to local government building and plumbing fees and charges, councils also collect a Building Permit Levy **and** a Building Construction Training Levy on behalf of the government. The following information explains important features about these two different government levies.

The Building Permit Levy was introduced on 1 July 2004 with the commencement of the *Building Act 2000*.

- It is calculated as **0.1%** of the total estimated cost of building and associated plumbing work valued at
- **\$12,000** or more, and it must be paid to the Permit Authority before it issues a building permit. The current threshold of \$12,000 is set by regulation 52A of the *Building Regulations 2004*, amended in 2005.
- Provisions relating to the Building Permit Levy can be found in S270 of the *Building Act 2000*. These include the method for determining the cost of the building.
- This levy is paid into a state government Building Administration Fund for development of a better regulatory environment for Tasmania's building industry.
- A new Approved Form LC is used by Permit Authorities when collecting and administering the building levy. (Copy of the Forms and the Director's Determination attached).
- The *Building Act 2000* and regulations are administered by the Building Control Branch of Workplace Standards Tasmania (Department of Justice).
Phone 1300 366 322 or 6233 7692 or email: wstinfo@justice.tas.gov.au

The Industry Training Levy was introduced in 1991 under the *Building and Construction Industry Training Fund Act 1990*.

- This levy is charged on any building project over **\$12,000** and is calculated as **0.2%** of the estimated cost of the building, as indicated in the contract or on the building application form. The current \$12,000 threshold was inserted by an amendment of this Act in 2005.
- Some civil construction projects are also included within the requirements for the levy (i.e. it has a broader scope of work than is covered by the Building Act).
- For further information on the Industry Training Levy contact the Tasmanian Building and Construction Industry Training Board (TBCITB). Phone 6223 7804 or visit the TBCITB website: www.tbcitb.com.au



DEPARTMENT of JUSTICE

WORKPLACE STANDARDS TASMANIA

Building Act 2000

Director of Building Control

DETERMINATION

Building Permit Levy

(Revision No 5)

For the purposes of Sections 270, 271 and 272 of the *Building Act 2000* and Regulations 5, 52A and 53 of the *Building Regulations 2004*, I determine that the administrative processes for the payment, receipt and forwarding of the levy to the Building Administration Fund, are set out in Schedule 1.

Kerrie Crowder
DIRECTOR OF BUILDING CONTROL

Date: 20 June 2011

Schedule I

In accordance with section 270 of the *Building Act 2000* (the Act), and regulation 52A of the *Building Regulations 2004* a building levy is payable to a Permit Authority in respect of building work and related plumbing work, the estimated total cost of which is more than \$12,000.00.

The levy is payable by the applicant for a building permit before the permit is issued at the rate of 0.1% of the cost of the building work (including related plumbing work). GST is not payable on the levy.

The cost of the work is determined by the contract price (including GST) of the building work (and related plumbing work) including the cost of labour and materials, which is to be supplied by the applicant. If there is no contract price, the applicant is to supply a statement by a building surveyor of the estimated cost of the building work (including plumbing work) and the cost of labour and materials. The estimated cost is to be determined from current industry information sources and is to include GST.

Levies are payable in total to the Permit Authority before a building permit or first stage of a staged building permit is issued. Permit authorities may retain \$6.00 for each building permit levy collected. If the building work does not go ahead, a partial refund of the levy paid by an applicant for a building permit is to be made by a Permit Authority. The Permit Authority may retain a further \$6.00 for each refund transaction. Thus the applicant is to be refunded an amount equal to the levy paid less \$12.00.

Levies paid and refunded are to be calculated monthly and recorded using the Form LC spreadsheet calculator. The spreadsheet on which the Form LC is based automatically calculates the monthly balance to be paid to the Department of Justice and takes account of permit levy handling fees retained by the council and refunds being claimed from the Department of Justice. Refund handling fees are not calculated in the Form LC calculator as they do not affect the monthly balance paid to the Department of Justice, but they should nevertheless be identified in the council's internal accounts.

The balance of the levies collected by a Permit Authority are due and payable to the Department of Justice by the 20th of the month following the end of the month in which the building permits were issued. Refunds claimed from the Department of Justice are those that were paid in the same month. Payment is to be by electronic funds transfer as follows:

Westpac Banking Corporation
BSB: 037001
Account: 267793
Account Name: Department of Justice Operating Account

A remittance advice is to be emailed to Justice Finance Dept on the day of transfer:
finance@justice.tas.gov.au

On the same day that the funds are transferred, the completed Form LC is to be emailed to the Department of Justice Records Dept:
wstinfo@justice.tas.gov.au

Under section 272 of the Act a Permit Authority is to keep records of building permit levies it receives and is to make those records available for inspection by the Director of Building Control for audit or other purposes.

BUILDING ACT 2000
Building Permit Levy

Council (PA)
council



Mail to: Director of Building Control
 PO Box 56 Rosny Park TAS 7018
 or FAX 6233 8338
 or email
 wstinfo@justice.tas.gov.au

BUILDING PERMIT LEVY RETURN CERTIFICATE

for the month of: month year
 month **year**

Issued on:

Please enter the required information in the boxes below indicated by arrows:

Sum of all stated building work values for all building permits issued → **A** *this amount is required for statistical purposes only*

CALCULATE AMOUNT PAYABLE TO DEPARTMENT OF JUSTICE

Sum of all stated building work values for work valued at greater than \$12,000 → **B**
(this amount must be equal to or less than A)

Total **VALUE** of levies collected **C**
0.1% X B (automatic calculation)

Total **NUMBER** of levies collected → **D**

Total **SPECIFIED AMOUNT** retained **E**
\$6 X D (automatic calculation)

Amount payable to DOJ before refunds **F**
C - E (automatic calculation)

CALCULATE REFUNDS

Sum of all refunds claimed by applicants → **G**
(use amounts of levies actually paid)

Total **NUMBER** of refunds claimed → **H**

Total **SPECIFIED AMOUNT** retained **J**
\$6 X H (automatic calculation)

Amount to be refunded by DOJ **L**
G - J (automatic calculation)

NET AMOUNT PAYABLE to DOJ **F - L** **M** **\$0.00**

Statement:

According to the financial records of the Council (Permit Authority) and to the best of my knowledge and belief, the payment is correct and has been transferred to the Department of Justice Operating Account.

NAME: _____

DESIGNATION: _____

SIGNATURE: _____

Please print off and sign when complete

DATE:

A copy of this certificate is to be completed and forwarded to the Director of Building Control by the 20th day of the month following the month in which the building permits were issued. EMAIL to wstinfo@justice.tas.gov.au