Unpaid building permit levies – VBA acts

The Victorian Building Authority (VBA) has launched legal proceedings against a building surveyor who owes more than $38,000 in unpaid building permit levies.

The building surveyor failed to pass on to the VBA the levies from building permits he issued in 2013. Under the Building Act 1993 (the Act), each month building surveyors must provide the VBA with a report of the building permits they have issued, and forward the levy payments for the permits.

The VBA’s Compliance and Performance Acting Director, Murray Smith, said the building surveyor has been referred to the Building Practitioners Board for an inquiry into his conduct as a result of not complying with the Act and Building Regulations 2006 (the Regulations).

He said building surveyors have a number of responsibilities under the Regulations and most take these obligations seriously and do the right thing.

“But where there is one that does not do what is legally required, such as in this case, the VBA takes action,” Mr Smith said.

Building permit levies fund the building control system in Victoria. Under the Act, anyone applying for a building permit for works costing more than $10,000 must pay a levy before the permit is issued. This levy is collected by the building surveyor, who then forwards it to the VBA each month.

“The VBA’s ongoing audit of building permit levy reporting and returns has seen a significant improvement in the level of compliance among building surveyors,” Mr Smith said.

“Most of the problems we see are the result of issues with systems and processes, or genuine mistakes. In these situations we work with the building surveyors and their administration staff to provide support by educating them about their obligations and helping to identify weaknesses in their business controls and systems.”

The VBA’s monitoring and auditing activities do reveal instances of intentional wrong-doing. The VBA’s Chief Executive Officer, Prue Digby, said in these situations, the VBA has an enforcement strategy in place to ensure appropriate action is taken to recover unpaid money, with the matter also referred for investigation and possible disciplinary action.

“As well as recovering the payments, which in many cases consumers have paid in full to the building surveyor, it’s about ensuring that those who do the wrong thing don’t gain a financial advantage over the rest of the industry,” Ms Digby said.

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