

Estimating the value of building work

The estimated value of building work must be declared when making an application and is used for a variety of reasons. The estimated value is used not just to calculate the fees payable on an application, but also forms part of the data required to be provided to the Australian Bureau of Statistics. The ABS then uses the received data to inform a variety of industry components.

The estimated value of building work is defined under Schedule 1 of the *Building Regulations 2012* (the Regulations), as below:

Schedule 1 – Estimated value of building work

2. Estimated value of building work

1) For the purposes of estimating the value of building work –

- a) Where the work is to be carried out under a contract and the contract price includes the value for at least each of the relevant components – the estimated value of the work is the contract price (including GST); and
- b) Where the work is to be carried out –
 - i. Other than under a contract; or
 - ii. Under a contract the contract price for which does not include value for each of the relevant components,

The estimated value of the work is the sum of the value (including GST) of the relevant components.

2) If building work includes building work in respect of which a building permit is in effect, the estimated value of the building work is reduced by the estimated value of the building work to which the building permit applies.

Under the same schedule, '**relevant components**' means –

- (a) all goods (including manufactured goods forming part of the work); and
- (b) labour; and
- (c) services necessary; and
- (d) fees payable; and
- (e) overheads to be met; and
- (f) profit margin.

Please note: for work completed outside of a contract, under the Regulations above the estimated value must include all relevant components. Practically, this means an accurate value must be placed on the labour of the responsible builder, regardless of who that responsible builder is.

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Applying for Planning Approval

The estimated value as defined under the Regulations is generally only applicable to applications for building permit. However, should your proposed development require Planning approval the estimated value should align with the value applicable to the building permit.

The estimated value for a planning approval should not include GST.

Applying for a Building Permit

The estimated value stated on an application for building permit must comply with the definition under the Regulations. Should the Town have cause to believe the value is understated, it may request evidence of the stated value of the works.

The estimated value for a building permit should include GST.