

Estimating the value of works

Guidelines

The aim of this guideline is to assist applicants in lodgement processes and advise of responsibilities for accurate information under the relevant regulations.

The estimated value of development or building work must be declared when making an application. The estimated value is used to calculate the fees payable on your application, and also inputs data required to be provided to the Australian Bureau of Statistics (ABS) and the Valuer Generals Office (VGO). The information received informs a variety of industry components. Applicants are encouraged to obtain accurate costings for development or building works, applicable to the Pilbara Region before completing the application forms required for lodgement.

By the acceptance of your application, it should not be construed that an updated fee will not be requested by the Shire. If the development costs are found to be different at any stage, including the building permit/application stage, or should the Shire have reason to believe the estimated value has been mis-represented, the Shire reserves the right to make a claim for additional application fees.

Application for Development Approval

The Shire accepts a development application under the provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015 (The Regulations)*, and *Planning and Development Regulations 2009*.

Please note that under the *Planning and Development Regulations 2009*, Part 8 - Clause 57 states:

(1) A person must not give any false or misleading information in, or in relation to, an application or request made under these regulations.

(2) A person making an application or request made under these regulations must not withhold information that is or may be material to the application or request.

Penalties apply for non-compliance with the requirement.

The estimated cost of a development approval should not include GST.

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Application for a Building Permit

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.

The estimated value of a building permit should include GST.

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.