RESEARCH ANALYSIS NO. 6

Victoria's cladding program: The cost of doing business

CLADDING SAFETY Victoria

VICTORIA State Government

Aboriginal acknowledgement

Cladding Safety Victoria respectfully acknowledges the Traditional Owners and custodians of the land and water upon which we rely. We pay our respects to their Elders past, present and emerging. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life. We embrace the spirit of reconciliation, working towards equality of outcomes and an equal voice.

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Executive Summary

Cladding Safety Victoria (CSV) works with owners to help them rectify combustible external wall cladding products on their buildings. CSV does this by providing funding, support, guidance, and connections to appropriately registered and qualified practitioners.

A sample of CSV contractors engaged by owners of the buildings in CSV's rectification program have indicated that fees charged by local government authorities across Victoria, and permit processing timelines, are inconsistent and lack transparency. This frustrates contractors, sub-contractors, and owners.

When works on the facade of an apartment building include gantries, scaffolding or hoardings, the works will inevitably abut public land. Such works could include cladding replacement, painting, and balcony repair works.

Fees charged by councils and delays in processing permit approvals are causing unnecessary costs to contractors in undertaking defect rectification works on buildings and may be deterring owners from undertaking other works to maintain their building.

This report aims to highlight the impact of council fees on the performance of contractors undertaking critical rectification work.

This report brings together data from two sources. First, feedback received by CSV from interviewed contractors engaged to undertake cladding rectification work indicated that inconsistencies, lack of transparency, and processing timelines for building approvals among councils can cause uncertainty for building contractors on what is required and lead to unnecessary delays and costs for rectification works.

Second, CSV's detailed analysis of the tenders received in relation to 112 cladding rectification projects shows that tender participants estimated that:

- Council approvals would cost on average 2.3 per cent of the total cost of the rectification works per building. This equates to more than $12 million that will be paid to councils for approvals across the Cladding Rectification Program.
- Based on CSV's milestone dates data, an average cladding rectification project takes 287 days (approximately 9.5 months) of which it takes approximately 134 days (4.4 months) from contract execution to the point where construction work can commence. This includes the time it takes to obtain the relevant permits required. This can be due to both contractor delays in initiating the permit approval process and/or the council delays in processing these applications. This comprises 47 per cent of the total time it takes to complete an average cladding rectification project. Contractors indicated that the level of uncertainty caused by varying council requirements contributes to these delays.

CSV's survey results indicate:

- Average council charges paid by builders based on building height vary considerably from one council to another, for example:
  - For a ten-storey building or more, it can range from $4,000 to $32,000
  - for a five-nine storey building, it can range from $2,000 to $45,000 in council permit costs and occupation charges
  - for a four-storey building, charges range from $5,000 to $32,000
  - Charges for three storey buildings range between $1,000 to $25,000
- The number of applications required before construction can commence varies widely between councils. For example, a three-storey building can range from two to nine applications, and a five- to nine-storey building can range from five to thirteen applications depending on the council.
- The time taken by councils to process applications from the initial request to the attainment of the building permit can vary from 10 business days to 8 months.
- The time taken by council was "not reasonable" in 19 per cent of projects, leading to significant impacts on the project costs and timelines for completion.
- The key challenges faced by the contractors when dealing with councils are:
  - frustration caused by constantly changing goal-posts with pre-construction requirements;
  - the lack of transparency with council expectations;
  - unnecessary delays leading to site staff and contractors inactivity; and
  - lack of timely response from councils and poor communication.

The report highlights examples of some unnecessary requirements experienced by CSV on some of its rectified buildings and recommends that councils provide more clarity about pre-construction approval requirements, timeframes, and costs so that contractors can compete on a level playing field. The requirements should be tailored for the complexity of each municipality.

These changes would go some way to increasing transparency, allowing contractors to compete on a level playing field, and reducing costs and delays for owners to undertake critical maintenance work.

Providing a standardised approach and a common experience for contractors working across municipalities may also be enhanced through the development of an agreed framework of shared principles and outcomes underpinning approvals/fees processes that could be facilitated through partnership between the State Government and the Municipal Association of Victoria and its membership.

In the longer-term, government may wish to consider the option of creating a centralised one-stop shop approach for administering regulatory accountabilities, such as permit approvals, and free up council resources to focus on community-level public safety and events-related activities.

1. Background

1.1 About the Cladding Rectification Program

Cladding Safety Victoria is responsible for delivering the Victorian Government's $600 million Cladding Rectification Program. As of September 2024, CSV has funded cladding rectification work for more than 430 privately-owned apartment buildings affected by combustible cladding, with more than 350 private rectification projects now complete. This means that approximately 18,800 homes and more than 35,000 Victorians are now safe from the dangers of combustible cladding.

In delivering the Cladding Rectification Program, CSV notes that fees charged by councils and delays in processing permit approvals are causing unnecessary costs to contractors in undertaking defect rectification works on buildings and may be deterring owners from undertaking other works to maintain their buildings.

CSV has observed significant and widespread defects across buildings referred to the Cladding Rectification Program, most notably in relation to water-related damage affecting balconies, as discussed in CSV's research analysis *Non-cladding building defects*. These defects variously arose from poor design by professional consultants, poor construction and oversight by builders, and inadequate maintenance by owners.

In addition, CSV has also published a research analysis *Compliance in building design* which reveals widespread misapplication of Victoria's regulatory requirements for external wall cladding by the key professionals responsible for the design and permitting of buildings, namely the architects, draftspersons, fire safety engineers and building surveyors.

2. Methodology, limitations and assumptions

2.1 Methodology

The purpose of this report is to share CSV's insights into the views provided by a representative sample of its contractors engaged to undertake construction works to rectify buildings with combustible cladding on their external walls.

This process included:

- Review of data contained in contract tender submissions for cladding rectification within CSV's program;
- One-on-one interviews conducted in September/October 2023 with high volume contractors in the cladding rectification program who have operated across a range of councils (with follow-up interviews conducted in August 2024);
- Administered survey (see Appendix A) to targeted contractors on a representative sample of buildings rectified through CSV's program (requesting specific information permits, fees, charges and processing delays on 128 buildings located in councils with five or more CSV projects completed over the last two years); and
- Validating the views of contractors by accessing primary source information provided by council websites such as permit requirements, fee structures and supporting documentation such as guidance materials and handbooks.

2.2 Limitations and assumptions

The analysis undertaken was limited to data collected from 112 awarded tenders and interviews/surveys with a representative sample of contractors involved with the Cladding Rectification Program and did not involve direct engagement with any councils to validate or counter the findings identified by CSV.

The data collected from the tenders comprises costs submitted by contractors in a competitive tender environment. It is important to note that the reported costs are not necessarily the costs that the contractor paid to the council; they may include other items such as staff costs to undertake the permits process.

CSV has also assumed that council delays in processing applications has contributed to contractor pricing behaviour based on feedback from the interviewed contractors and survey results.

Despite these limitations, CSV has been able to highlight, in general, the inconsistent behaviours of councils and the uncertainty experienced by contractors in obtaining approvals to commence construction works.

3. Context

Victoria's building permit process is generally provided by Part 3 of the *Building Act 1993* (Act) and Part 4 of the *Building Regulations 2018* (Regulations). Within the CSV context, contractors engaged by building owners to undertake rectification works need to seek council approval on a range of construction-related activities (for example, erecting scaffolding, installing gantries, or setting up hoardings). Councils enforce local requirements regarding safety and amenities to ensure that the construction works are undertaken in an approved manner according to their requirements.

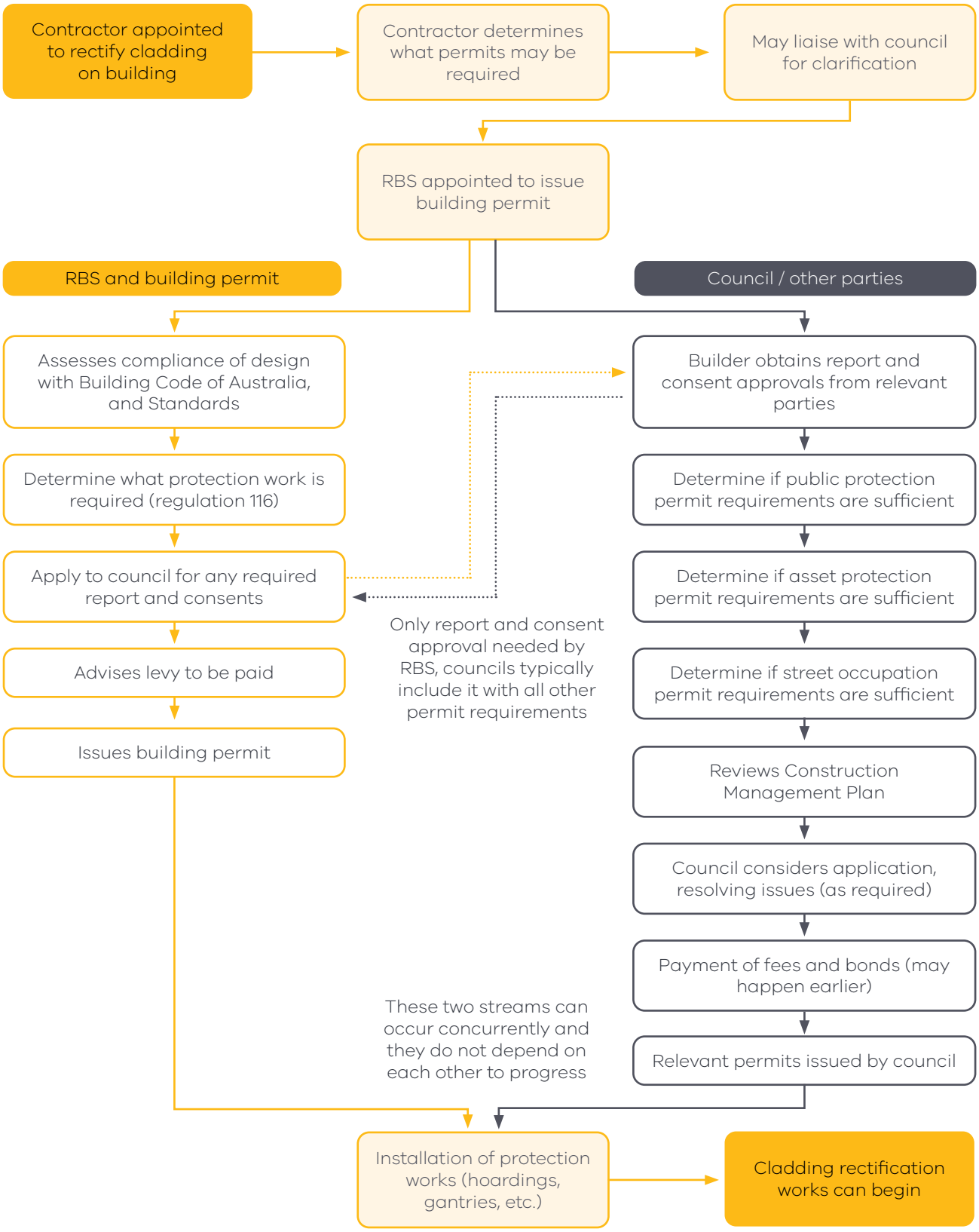
The Act requires a building permit to be in place before carrying out building work. The relevant building surveyor (RBS) may grant a building permit once all relevant matters have been satisfied. This often involves liaising with council in relation to prescribed matters.

In addition, councils often require several permits for construction activities beyond the building permit determined by the RBS. Despite any similarity between matters considered by council and by the RBS, council permits are separate and distinct from the building permit process determined under the Act.

This Report analyses the costs and delays occasioned by council permits. A summary of the statutory framework for both building and council permits is available in Appendix C.

The consensus of feedback provided to CSV by some of its major contractors indicates that inconsistencies on approval and fee requirements across councils, a lack of transparency in how decisions are made, and relatively lengthy processing timelines all contribute to unnecessary delays and costs for individual rectification projects in CSV's program which ultimately impacts adversely on both building owners and contractors.

Figure 1. Council permit application process



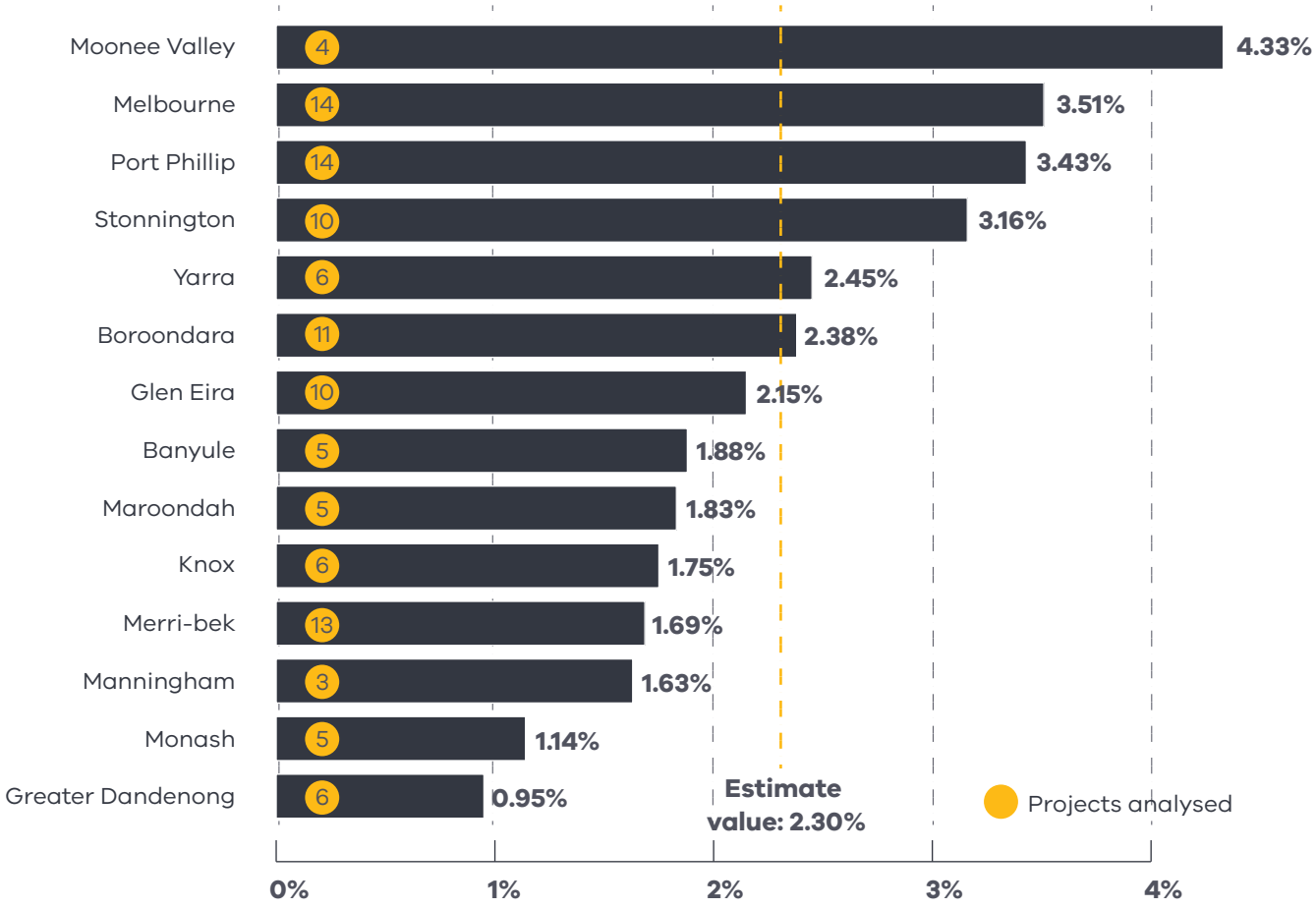
4. Key findings

4.1 Ranking between councils

CSV has undertaken detailed analysis of the tenders received in relation to 112 cladding rectification projects. This analysis (see Figure 2) shows that tender participants estimated that council approvals would cost, on average, 2.3 per cent of the total cost of the rectification works per building. This excludes any levies payable to the State.

One inner city council (Merri-bek) was below this with an average of 1.69 per cent, while others like Moonee Valley (4.33 per cent), Melbourne (3.51 per cent) and Port Phillip (3.43 per cent) were significantly higher.

Figure 2. Estimated net council costs as a per cent of total construction costs by council



Note: The above net building permit cost as a percentage of the total is based on the total building permit cost less all levies payable to the State Government (Building Permit Levy, Domestic Dispute Resolution Levy and Cladding Rectification Levy).

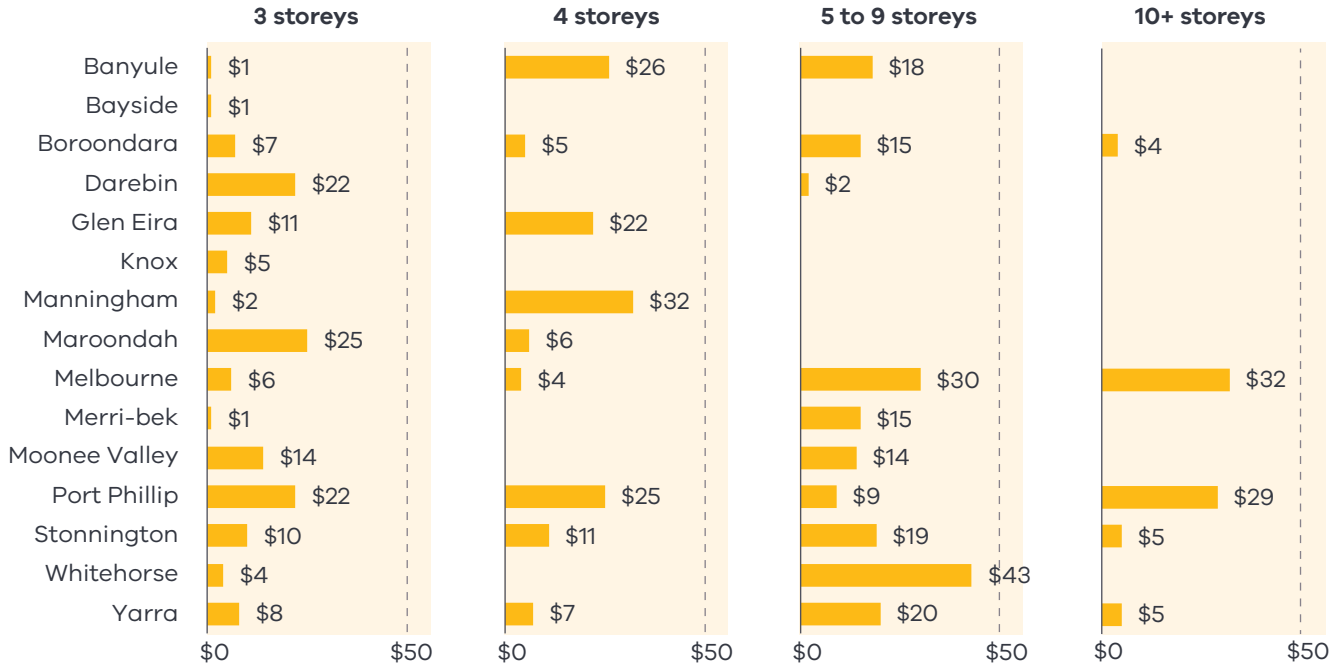
CSV's current estimated cost at completion for rectification works across 437 funded projects is $525 million. At an average rate of 2.3 per cent paid to councils, CSV estimates that more than $12 million will be paid to councils for approvals across the Cladding Rectification Program.

Figure 3 summarises findings from the CSV survey results which shows that charges paid according to building height vary considerably between councils.

For example:

- For a ten-storey building or more, it can range from $4,000 to $32,000.
- For a five-nine storey building, it can range from $2,000 to $43,000 in council permit costs and occupation charges.
- For a four-storey building, charges range from $4,000 to $32,000.
- Charges for three storey buildings range between $1,000 to $25,000.

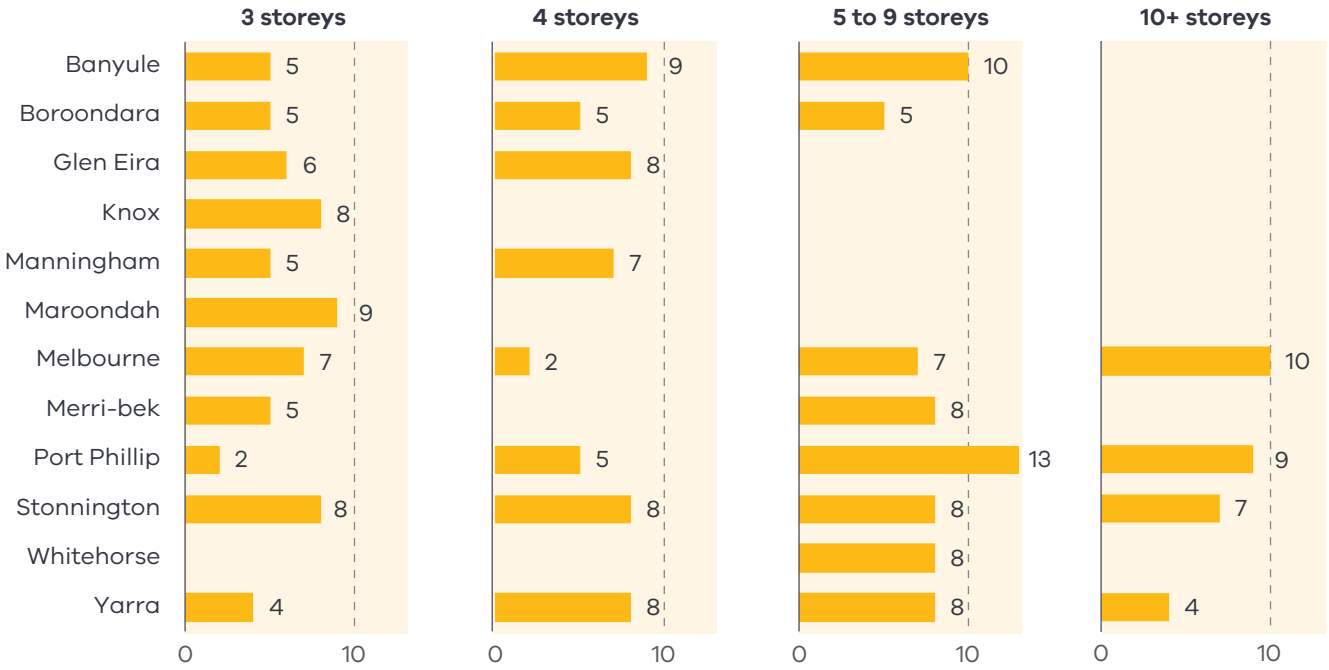
Figure 3. Average council charges paid by builders by building height



Note: All figures are represented in thousands of dollars.

The number of applications required before construction can commence varies widely across councils. Figure 4 indicates, for example, that a three-storey building can range from two to nine applications, and a five to nine-storey building can range from five to thirteen applications depending on the council.

Figure 4. Number of council permit applications by building height

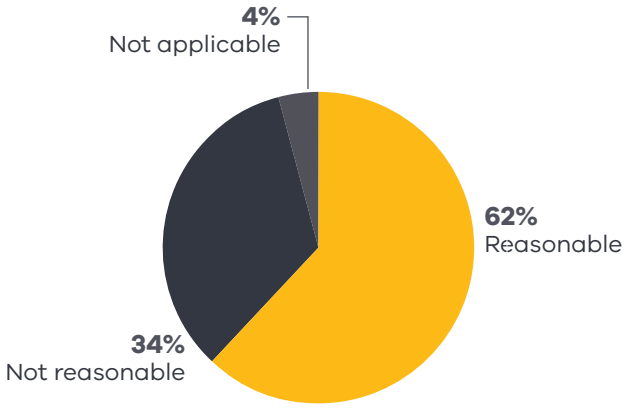


Note: All figures represent the number of council permit applications.

According to the survey results, most applicants (approximately 80 per cent) experienced up to a six week delay waiting for their council permits to be granted following the initial request. This was generally within expected time frames but varied according to the program complexity; however, a small proportion of applicants (less than 10 per cent) experienced unnecessary and excessive delays of three months or longer.

For those surveyed who responded to the question on whether the turnaround time by council on processing applications was reasonable/necessary (see question 4 in Appendix A), 34 per cent indicated that the time taken by council was "not reasonable", leading to significant impacts on the project costs and timelines for completion (see Figure 5).

Figure 5. Feedback from respondents on whether the time taken by councils to approve council permits was reasonable



4.2 Contractor experience

Survey results indicated that the key challenges builders faced when dealing with councils were:

- frustration caused by constantly changing goalposts with pre-construction requirements;
- the lack of transparency with council expectations;
- unnecessary delays leading to site staff and contractors with no work to move into;
- lack of timely response from councils; and
- poor communication.

4.3 Council permit fees comparison

There are four main areas where councils have differing pricing structures (see Table 1). These include:

1. **Pre-construction approvals**: the City of Melbourne has 43 different set rates for permits. Rates at other councils are less clear.
2. **Asset Protection Fee**: the application fees are different across all councils. While some councils base this fee on the costs of works, other councils base this on the height of the building, or frontages and corner lots.
3. **Hoardings**: the application fees are different across all councils. For ongoing works, the City of Melbourne charges $2.40/m^2 per day ($16.80/m^2 per week), the City of Yarra charges $5.72/m^2 per week (for single residential buildings, with no clear rate for multiple dwellings). The City of Merri-bek charges $5.35/m^2 per week, and the City of Greater Dandenong and the City of Glen Eira list a comparatively low monthly charge, not by the day or week like many other councils.
4. **Gantries**: the City of Melbourne includes options for gantries with no site shed ($2.40/m^2 per day) and gantries with a shed ($4.80/m^2 per day). The City of Yarra does not list options for gantries with or without sheds. Other councils do not list options for gantries with or without a shed, while others do not list application fees or ongoing costs for gantries at all.

The City of Melbourne provides a document with a schedule of fees, which helps applicants to determine what council permits may be required for a project. This is not readily available from other councils.

Table 1. Council permit fees comparison (as at July 2024)

Council	Asset Protection Fee		Hoarding		Gantry	
	Application fee	Ongoing fees	Application fee	Ongoing fees	Application fee	Ongoing fees
Melbourne	$351.60 - $1317.90	N/A	$192.90	$16.80/m² per week	$192.90	$16.80/m² per week
Port Phillip	$260 - $3632 + bond	N/A	$118	$142 + $18.90/m² per week	$118 (inc. hoarding)	$142 + $11.00m² per week (inc. hoarding)
Stonnington	$294 - $2170 + bond	N/A	$210	$11/m² per week	Not listed	Not listed
Yarra	$0 - $846.47	N/A	$94.74	$5.72/m² per week (Class 1a) + inspection fee	$94.74	$5.72/m² per week (Class 1a) + inspection fee
Boroondara	$333 - $832 + bond	N/A	$259 (inc. gantry)	$12.50/m² per week + inspection fee	N/A (see hoarding fee)	N/A (see hoarding fee)
Glen Eira	$296 + bond	N/A	$230	$4.90/m² per month	Not listed	Not listed
Merri-bek	$196.50 - $3935	$126.50 - additional inspection fee	$89.10 - $322.50	$5.35/m² per week	N/A (see hoarding fee)	N/A (see hoarding fee)
Greater Dandenong	$340 - $3185 + bond	N/A	$325	$8/m² per month, min $197	N/A (see hoarding fee)	N/A (see hoarding fee)

Source: See Appendix B.

4.4 Assets held in bonds

One contractor complained of the significant funds held in bonds, meaning that the contractor's cash was not available as working capital. The contractor stated they currently had around $700,000 held in bonds on 23 projects. Given the serious risks presented by cash flow problems, particularly in the construction industry, councils could consider alternative bonds such as bank guarantees.

4.5 Council requirements and available guidance

The guidance on permit requirements provided by councils, typically published on their websites, varies in detail. Many contractors found individual council requirements either confusing or overly onerous, particularly within Melbourne's inner suburbs. Contractors indicated that council staff were often unable to provide additional clarity when raising queries not necessarily covered by the guidance.

4.6 Council permit fees

The fees charged by each council for similar approvals varies across Victoria, as do the application requirements. For example, an Asset Protection Fee can vary from $196.50 to $3,935 in two inner-city councils (see Table 1). By way of another example, councils have inconsistent requirements regarding whether a traffic engineer is required to review a Traffic Management Plan (for example, where the use of carparks and temporary street closures are required for cladding rectification) or whether this can be prepared at far less cost by a traffic consultant who is not an engineer.

4.7 Council permit processing timelines

Contractors struggled to understand the vast inconsistencies experienced for application processing which, based on the sample interviewed for this research, led to delays due to the uncertainty of understanding what was required. A council permit application time period with the same complexity could take from nine weeks in one council to over six months in another with the average processing period of approximately 4.5 months. This average time comprises 47 per cent of the overall cladding remediation project which on average takes 9.5 months to complete.

It is important to note that CSV does not have data that can indicate the causes of the delays in the application approval period, i.e. whether it is because of delays by the contractors initiating the application process after contract execution, or whether it is mainly due to council's inability to process the applications in a timely manner. Further analysis is required to understand the causes for these delays.

4.8 Council permit naming conventions

The naming conventions used by councils for the same type of permit causes confusion for contractors who work across greater Melbourne. Sometimes, a permit name relates to several types of permits, while the names of other applications do not clearly relate to the purpose of the permit. Most external cladding rectification works involve the erection of gantries, scaffolding and hoardings, and Traffic Management Plans for the use of carparks and temporary street closures. While the naming of permit types is similar across the inner-city councils, those in the middle or outer ring suburbs are less likely to be as detailed. One inner-city council has 43 different types of council permits, which survey outcomes suggest could be confusing.

Figure 6. Average time from Design & Construct (D&C) contract execution to building permit as per cent of overall rectification works completion*

While council and building permit application processes need not proceed sequentially, CSV understands that building permits are often finalised after, or close to, the date on which council permits are granted. Accordingly, the date on which building permits are issued represent a suitable (though not absolute) proxy for conclusion of the pre-construction phase.

Figure 6 demonstrates the proportion of contract duration in pre-construction and construction phases and Figure 7 shows this broken down on a council-by-council basis.

On average it takes 287 days from a D&C contract execution to cladding rectification works being completed, of which approximately 134 days (47%) is the delay from a D&C contract to building permit.

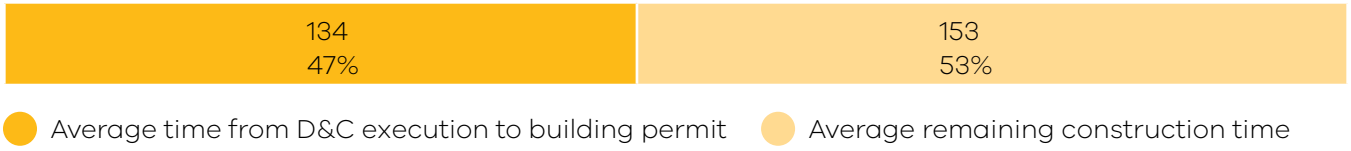
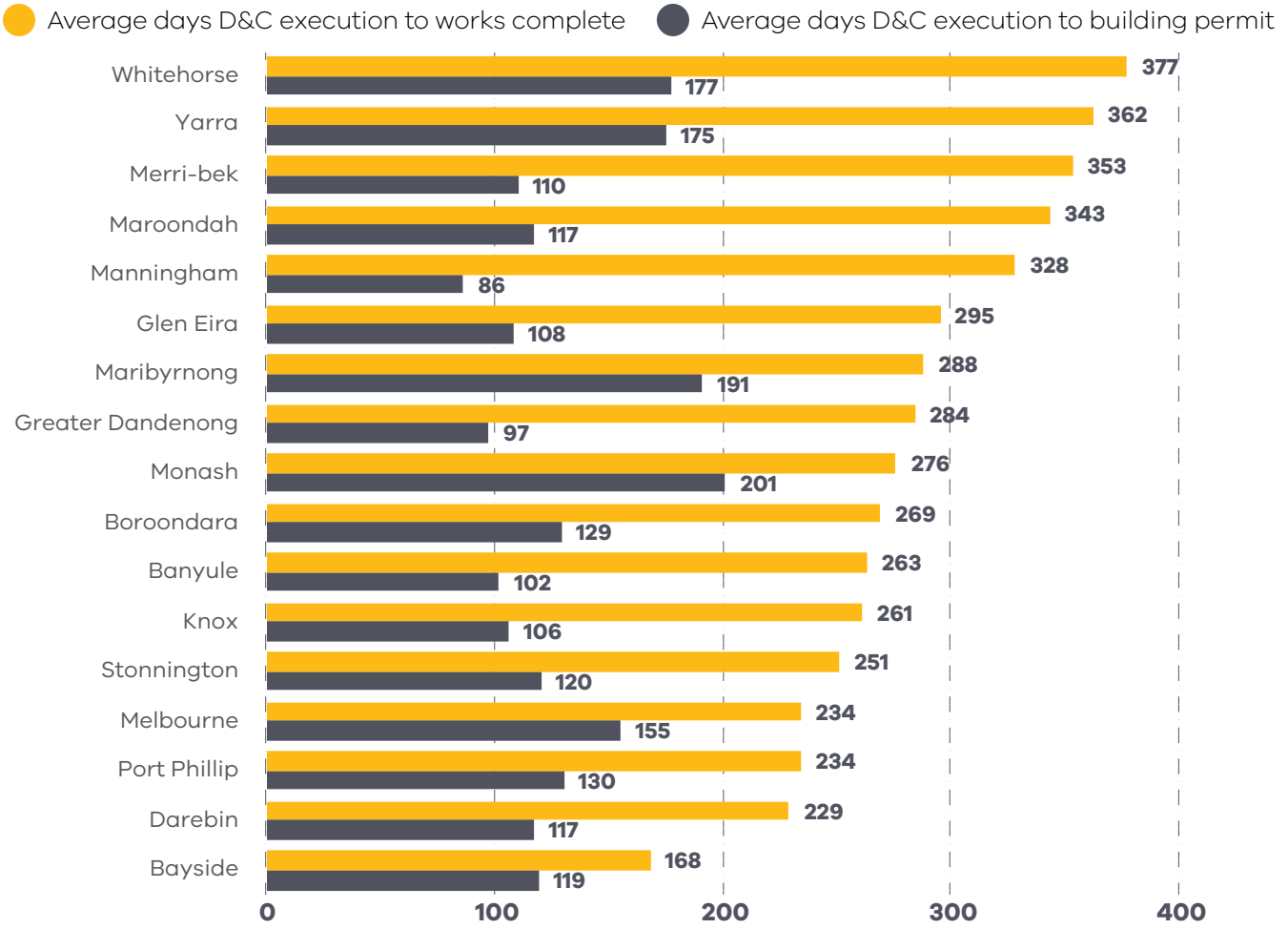


Figure 7. Building permit vs works completed from start of a D&C contract (councils with 4+ projects)*



* Dataset contains D&C contracts executed from January 2022 to July 2024 only.

5. Discussion

5.1 Examples of good council practices

Several of the contractors interviewed by CSV provided positive feedback on the guidance material provided by the City of Melbourne which they indicated was comprehensive and provided good assistance to contractors who may not have previously undertaken work within Melbourne's boundaries. One contractor indicated that a council staff member had provided significant assistance to help the contractor understand the very detailed guidance material; however, other staff members had been unable to assist in this way.

While the web portal implemented by the City of Melbourne in 2023 initially caused disruption to the council permit application process, contractors acknowledged that it now allows a more streamlined process for end users. An application cannot proceed until gateway requirements have been met by either the contractor or council.

The City of Yarra has a web portal and schedules an introductory meeting with first-time users who wish to take up this service. Their website states that contact to book this meeting is usually done within two business days.

When contractors have access to a helpful council officer, issues are easily able to be resolved. While one contractor spoke of having developed a relationship informally, it is concerning that the same service is not available to all contractors. A dedicated contact officer could assist by making the process consistent for all contractors, and able to advise on processing timelines and requirements.

CSV acknowledges that this level of engagement may not be appropriate or necessary in other areas of Melbourne where typically less complex work is undertaken.

Councils have many responsibilities and limited resources. Councils and contractors alike could benefit from the publication of clear and consistent guidance, and by implementing IT solutions for administration. Collaboration among councils could reduce bureaucratic red tape by developing consistent council permit requirements for projects of similar complexity in similar municipalities. The Victorian Government has announced reforms to clear the backlog of multi-unit development planning applications currently with councils for more than six months.

5.2 Factors contributing to less effective outcomes

5.2.1 Council requirements and available guidance

When councils don't publish up-to-date guidance material, this can create frustration, particularly when council staff are unable to provide clear guidance.

5.2.2 Council permit fees

Some councils will require a secondary consent for an application. This adds an additional cost (sometimes more than $20,000) and time to process the application. For example, a Traffic Management Plan may require a traffic engineer to review the plan. Contractors are not able to communicate directly with these engineers, with all communication only occurring through the council's compliance officers.

5.2.3 Council permit processing timelines

Several contractors found inconsistency among council staff approaches to reviewing documents, both in the time taken varying from a few weeks to over 12 weeks for the same type of council permit application. This may be due to council systems not allowing concurrent processes or due to staff turnover. Sometimes advice provided by one council officer was contrary to another's requirements. To put this into perspective, some contractors stated that council permit application timelines could be approximately four months for two weeks of onsite works.

5.2.4 Council permit naming conventions

While the schedule of council permit fees is transparent with some councils (e.g. City of Melbourne), others are not, using terms like

"space occupation" without any additional explanation of what this entails and when it is required.

In concluding on some of the above variances, it is unclear whether the fees being levied reflect the cost of the service provided by councils. It is important that this is reviewed to ensure councils are not setting excessive fees that would otherwise be *ultra vires*.

5.3 Case studies

CSV has observed certain practices by some councils in relation to council permit requirements which have unnecessarily contributed to costs and delays for the building contractor.

Example 1: A builder in the final stages of obtaining approval for their construction management plan was required to engage an arborist to assess a tree recently removed by the council. This additional assessment, which incurred costs to the builder and delayed the approval process by over a month, resulted in an approval that was contingent on the installation of temporary fencing and signage indicating a "Tree Protection Zone" for the remaining tree stump.

Image: Temporary fencing and signage indicating the 'Tree Protection Zone' in Example 1.

Example 2: A builder engaged in a year-long project across three separate buildings was required to erect full gantries on all adjacent footpaths, despite construction work taking place sequentially on each building. This resulted in a gantry being installed in front of one building well before work commenced, obstructing visibility to the shopfronts and impacting businesses. When the builder sought to amend their application, they were informed that the approval process would restart, causing further delays. Consequently, the builder incurred unnecessary costs for extended occupancy rates and gantry hire.

Image: A gantry installed in front of the building in Example 2 well before work commenced, obstructing shopfront visibility and impacting local businesses.

6. Reform opportunities for further consideration

Inconsistencies, lack of transparency, and processing timelines for building approvals among councils can cause uncertainty for building contractors on what is required, leading to unnecessary delays and costs for rectification works.

The experience of CSV's contractors is not inconsistent with the results reported by *The Age*,[1] of an annual survey of businesses undertaken by the National Australia Bank on behalf of the State Government. The survey, which measures the impact of state government regulations on businesses, compliance difficulties and clarity on communicating regulatory changes to businesses, showed that the cost of complying with regulations was "the most burdensome aspect of doing business in the state" with the property industry reporting the highest negative 'red-tape' impact.

Further, the Productivity Commission released its research report into housing productivity in February 2025 which found a key factor contributing to falling productivity in the housing sector was due to complex, slow approvals processes and over-regulation (i.e. three levels of government making rules that affect where housing can be built, how it should be built and what it should look like).[2]

Based on information outlined in this report, CSV recommends that councils provide more clarity about pre-construction approval requirements, timeframes, and costs so that contractors can compete on a level playing field.

This may include:

- publishing comprehensive construction management plan guidance material;
- sharing common permit naming conventions between other councils;
- providing clear council permit fee structures; and
- providing estimates on permit processing times and reporting on these timelines.

The requirements should be tailored for the complexity of the municipality in which the works are being conducted.

These changes would go some way to increasing transparency, allowing contractors to compete on a level playing field, and reducing costs and delays for owners undertaking critical maintenance work.

Providing a standardised approach and a common experience for contractors working across municipalities may also be enhanced through the development of an agreed framework of shared principles and outcomes underpinning approvals and fees processes that could be facilitated through partnership between the State Government and the Municipal Association of Victoria and its membership.

1 The Age - *The secret report showing how Victorian businesses are being stifled*, **https://www.theage.com.au/politics/victoria/the-secret-report-showing-how-victorian-businesses-are-being-stifled-20240814-p5k2d1.html**

2 Productivity Commission - *Housing Construction Productivity: Can we fix it?* Research paper, **https://www.pc.gov.au/research/completed/housing-construction**

CSV has observed some councils impose excessive or otherwise unjustifiable requirements on contractors and consequentially charge higher fees to allow construction to commence, as exemplified by the case studies in this report. This may be informed by the additional revenue available to councils in such circumstances. These additional construction costs will ultimately be borne by consumers.

Ultimately, as a longer-term measure, government may also wish to consider the benefits for introducing an option for centralising administrative regulatory accountabilities, such as permit approvals, within a single regulatory entity (i.e. a one-stop shop approach) to enable the role of councils to be reset and to provide greater ability for them to focus on urgent public safety issues in occupied buildings (rather than, for example, having to administer applications for new building and construction/rectification permit approvals). Freeing-up resources will better position councils to undertake relevant community-level activities including management of public safety, issuing event permits (and improving their alignment with temporary structure permits), traffic management during construction and issuing emergency orders.

APPENDIX A

Questionnaire for CSV contractors

This interview/survey is being conducted to better understand from Contractors' experience with Councils on their approvals process the extent to which Council requirements are reasonable, transparent, clear and uniform, with a reasonable timeframe turnaround and ability to fast-track processes for rectification approval where necessary to shorten the period of time for application.

For Building Bxxx:

1. How many applications were required before actual construction work could commence on this rectification project? In your view, were these approvals commensurate/appropriate with the work required to be undertaken? If not, why?
   - Public protection permit
   - Asset protection permit
   - Street/space occupation permit
     - Crane
     - Concrete pump
     - Non-motorised plant and equipment
     - Travel towers, scissor lifts, cherry pickers
   - Construction parking (construction permit zone)
   - Skip/bin or container
   - Out of hours (on private land)
   - Temporary protective structure:
     - Gantries
     - Hoardings
     - Scaffolds
   - Construction Management Plan (CMP)
   - Extend or change a permit to occupy public space
   - Extend or change a construction parking permit (construction permit zone)
   - Building Permit
   - Other
2. What were the actual total charges incurred by the Council fees (including additional fees arising from additional reviews) imposed on permits required to begin construction work? Please itemise expenses accrued eg required permits and fees charged:
3. How long did it take for Council to process all required applications from the initial request to the attainment of the building permit?
4. In your view, was the turnaround time by Council on processing your applications reasonable/necessary? If delays were unnecessary, what do you think they were caused by?
5. Did council offer fast-track opportunities or was there only one pathway option for approving applications?
6. Do you think there is a significant impact of Council delays on tender prices? In what way? Please quantify.
7. In your view, what specific delay costs do you think you have accrued due to council delays in approving your request to proceed to construction?

APPENDIX B

Source material used to form the basis of *Table 1: Council permit fees comparison*.

All sources below were accessed and correct as at 10 July 2024.

Boroondara City Council, *Council asset protection* (website), **https://www.boroondara.vic.gov.au/services/planning-and-building/building/works-permits/roads-and-footpaths/council-asset-protection**

Boroondara City Council, *Occupying a road or footpath* (website), **https://www.boroondara.vic.gov.au/services/planning-and-building/building/works-permits/roads-and-footpaths/occupying-road-or-footpath**

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APPENDIX C

What is the process for obtaining a building permit?

The *Building Act 1993* (Act) requires a building permit to be in place before carrying out building work. An owner or their agent can make an application for a building permit to the relevant building surveyor (RBS) appointed under Part 6 of the Act. The RBS must decide the application by either issuing the permit, issuing the permit with conditions, or refusing the permit. The RBS may issue a building permit once they are satisfied that:

- The building work and the building permit will comply with the Act, the *Building Regulations 2018* (Regulations) and any binding determination that applies to the carrying out of that building work;
- Any consent of a reporting authority required under the Act or the Regulations or under any other Act or regulations is obtained or taken to have been obtained;
- Any relevant planning permit or other prescribed approval has been obtained;
- The building permit will be consistent with that planning permit or other prescribed approval;
- The building work is to be carried out by a person who is specified as the builder for that work; and
- The person is named on the building permit as the builder.

The RBS must within seven days after issuing the building permit give the relevant council a copy of the permit, any plans and other documents lodged with the application for the permit.

What are the prescribed reporting requirements?

The statutory framework requires the RBS to implement the recommendations of prescribed reporting authorities in relation to prescribed matters. The Regulations set out those matters in relation to which the council is a prescribed reporting authority.

Regulation 116 states that precautions must be taken before and during building work to protect the safety of the public if required by the RBS. The council's role in relation to this requirement is to report to the RBS on applications for the erection of precautions over the street alignment.

The relevant council must report within 10 business days from the day the council received the application. If the council fails to report within this timeframe, the RBS may proceed to decide the application for the building permit without the report of council. Any precautions recommended by the council must be approved by the RBS before building work is commenced.

Ability for council to require permits in addition to a building permit

Councils may require several permits beyond the building permit determined by the RBS under the Act. These council permits are separate to the council's reporting role in relation to prescribed matters.

Section 71 of the *Local Government Act 2020* allows a council to make local laws for or with respect to any act, matter or thing in respect of which the council has a statutory function or power. These local laws can be adopted or

incorporated in a document such as a code. Councils may publish these codes detailing the various permits which they may require for construction work to commence.

Local laws created by councils may differ between municipalities according to their different environments. A permit required by one council may not be required by another. Some common council permits include:

- Public protection;
- Occupation of public space (road or footpath);
- Construction parking;
- Skips, bins and containers;
- Vehicle crossing; and
- Asset protection.

Public protection permit

Protection work may include erecting hoardings, gantries, scaffolding and exclusion zones. Councils will often require permits in accordance with their local laws to allow these protection works to be carried out.

Although a public protection permit may relate to and resemble the matters the subject of the Regulation 116 report, a public protection permit is not a requirement under the Act or Regulations.

Occupation of public space

Councils will often require a permit to occupy council land or roads during construction work. This may include where the works require:

- Fencing off part of the road;
- Erecting hoardings, scaffolding or overhead protective awnings;
- Using mobile crane, scissor lift, forklift, boom, concrete line pump or any other equipment used for building works;
- Leaving or storing building, paving or other construction materials or rubble;
- Leaving or storing any tools, machinery, plants or equipment; and
- Any other non-road purpose.

As council permits are introduced through the relevant council's local laws, the fees payable and the timeframes within which council is required to determine each application differ between municipalities.

Is the RBS required to wait for these council permits to be finalised before granting a building permit?

Council's role in the building permit process is limited to reporting on prescribed matters. Once the council's report is obtained, the RBS can issue the building permit.

Any other permits required by council can be sought either concurrently with a building permit application or after the building permit has been issued but before work commences. In order to reduce their administrative burden, some RBSs and contractors may submit simultaneous applications to council for reports on prescribed matters and council permits. Notwithstanding, there is no legislative basis for an RBS to refuse or delay issuing a building permit until relevant council permits are finalised.

Any requirement that council permits are obtained prior to the granting of the building permit goes beyond what is required by legislation. However, if work is commenced prior to these council permits being granted, the parties may be in breach of local laws and the *Local Government Act 2020*, *Road Safety Act 1986* or *Road Management Act 2004*.

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