

# Cladding Rectification Levy

## Commences 1 January 2020

Attention Members,

An additional building permit levy to fund cladding rectification work will apply from New Year's Day.

The new levy applies to building work in metropolitan areas with a cost of works of at least \$800,000 and a [classification of 2 to 8](#) under the National Construction Code.

The levy does not apply to stand-alone houses or other [class 1 buildings](#).

The VBA estimates that three per cent of all building permit applications will attract the additional levy.

The Victorian Government is introducing the additional levy to fund cladding rectification work for buildings found to have the highest fire safety risk.

Building permit applications accepted by building surveyors on or after 1 January 2020 will be subject to the new levy, which is estimated to raise \$300 million over five years.

The VBA will distribute funds collected from the levy to Cladding Safety Victoria – the agency managing the rectification of the highest-risk buildings.

An online [levy calculator](#) is now available on the VBA website to provide industry with an estimate of the total levy payable.

Building surveyors will use the Building Activity Management System to calculate the total building permit levy payable from 1 January 2020.

### Resources and information

- [Frequently asked questions](#)
- [Levy calculator](#)
- [PN 21: Building Permit Amendment](#)

- [PN 36: Building permit for a stage of building work](#)
- [PN 73: Building Permit Levy – Cladding](#)

## Questions?

For more information, please contact the VBA on 1300 815 127 or email [customerservice@vba.vic.gov.au](mailto:customerservice@vba.vic.gov.au).