Registered Building Contractor
(Individual, Partnership or Company)

Application Guidelines

To contract to provide building services in the class of builder work in Western Australia you must be registered by the Building Services Board (the Board) as a builder contractor (individual, partnership or company). The Board registers building contractors under the Building Services (Registration) Act 2011 (the Act) and the Building Services (Registration) Regulations 2011 (the Regulations).

Authorisation

A building contractor registration authorises the holder to:

- use the prescribed title of registered building services contractor for the licence class they are registered for; and
- contract to carry out building services meeting the definition of builder work set out in R.13(1) of the Regulations. In summary, builder work is defined as work with the value of $20,000 or more where a building permit is required within the designated areas of the State.

Application for registration as a building contractor

In accordance with the Act, to be eligible to obtain a building contractor registration an applicant must:

- provide a complete written application including payment of application and registration fees (the fees are specified in Schedule 1 of the Regulations);
- provide additional information relevant to the application as required by the Board, noting that this may need to be provided in the form of a statutory declaration;
- on registration have at least one nominated supervisor for the class of building service contractor applied for;
- have arrangements in place to ensure that building services to be carried out will be managed and supervised in a proficient manner;
- is not a body of which an ineligible person is an officer of; and
- comply with any other requirements prescribed by the regulations for registration and a building service contractor in that class which is having the financial capacity to meet debts as and when they fall due.

Information supplied as part of this application is confidential.

The Act provides for the Board to request any additional information that it requires relevant to the application, to be verified by statutory declaration.

Certifying of documents and witnessing of statutory declarations must be by a person qualified as a witness under the Oaths, Affidavits and Statutory Declarations Act 2005 (WA) or the Statutory Declarations Act 1959 (Commonwealth). Attachment B contains a table of qualified witnesses.
**Important information for all applicants**

It is considered a serious offence to make a statement or provide or cause to be provided information that you know is false or with reckless regard as to whether or not the statement or information is false or misleading in a material particular as part of this application or to the Building Commission / Building Services Board in general. This offence carries a **penalty of $25,000**.

As a building services contractor, building services must not be carried out or undertakings given to carry out building services work while the building contractor does not have a nominated supervisor in the class of building services in which the contractor is registered. This offence carries a **penalty of $25,000**.

If a change in nominated supervisor does occur the building contractor is required to give written notice to the Board within seven days of this change occurring. This offence carries a **penalty of $10,000**.

**Individuals seeking to register as a building contractor**

If you are an individual and sole trader seeking registration as a contractor, you must provide a statement of intention and a personal financial statement.

In providing a written statement of intention, the purpose of this statement is for the applicant to demonstrate their financial position is sufficient to meet the debts expected to be incurred in undertaking the activities proposed as advised in the statement of your proposed business profile. As part of the application process your financial position will be assessed against the level of activities the applicant proposes to undertake if registered.

**Note:** individual and sole trader applicants can provide a business plan as an alternative to providing a statement of intention.

**Partnerships seeking to register as a building contractor**

**Business plan**

If you are seeking registration as a partnership application must include a business plan consistent with Attachment A: Contents of a Business Plan.

Planning helps to ensure your business activities remain focused on your goals and that your time and capital are dedicated to specific objectives. A good business plan identifies your market, highlights trends, and establishes a regular review of procedures so that the business can react to and take advantage of any opportunities.

If you have limited experience in the preparation of a Business Plan, it makes sense to consider getting some help in developing your initial plan from your accountant or small business adviser. You can also refer to your local Small Business Development Corporation. They offer information, advice and referral services for business in general.

**Financials - Proof of working capital**

Applicants intending to register as a contractor must satisfy the Board that they have sufficient resources to meet their financial obligations as and when they become due.

For a partnership between natural persons each partner will need to complete a personal financial statement. If the partnership includes a company it will need to provide proof of working capital as outlined for companies below. Where the partner company has been trading in any capacity it must also provide special purpose financial reports. Refer to ‘Financials – Special purpose financial reports’ below.
Companies seeking to register as a building contractor

Business plan
If you are seeking registration as a company application must include a business plan consistent with Attachment A: Contents of a Business Plan.

Planning helps to ensure your business activities remain focused on your goals and that your time and capital are dedicated to specific objectives. A good business plan identifies your market, highlights trends, and establishes a regular review of procedures so that the business can react to and take advantage of any opportunities.

If you have limited experience in the preparation of a Business Plan, it makes sense to consider getting some help in developing your initial plan from your accountant or small business adviser. You can also refer to your local Small Business Development Corporation. They offer information, advice and referral services for business in general.

Financials - Proof of working capital
All companies seeking registration must provide proof of working capital supported by documented evidence as outlined below. If the company has been trading in any capacity it must also provide special purposed financial reports. Refer to ‘Financials – Special purpose financial reports’ below.

Note: If the company has remained dormant for an extended period of time, verification is to be provided in the form of written confirmation from the company accountant.

- Share issue
  Proof of paid/called up amount (ie. share certificate, proof of amount paid) and that the money is in the company or body corporate’s respective bank account.

- Loans
  Verification of the loan position (ie. amount left outstanding and extent of any redraw on the amount paid back) and a copy of the loan document itself setting out the terms and conditions of the loans and the parties. Loans that are repayable on demand or repayable within a period shorter than 12 months, which include default clauses giving priority to related party creditors over general and unsecured creditors, or where the terms of the loan can be varied at the request of a related party, are less likely to be accepted by the Board (given the risk exposure to the company) than independent third party loans.

  Note: When loans are not from a financial institution (including director or related entity loans to/from the company or body corporate) the applicant will need to provide the Board with an impact statement from an accountant, detailing the impact of the loan and its terms and conditions on the current financial position, with particular focus on the company or body corporate’s liquidity relative to its proposed future building activities.

- Gift
  Money gifted to the company or body corporate must be documented by way of a statutory declaration and should be beyond recall.

- Overdraft Facility
  Verification that a facility has been extended to the applicant setting out terms and conditions accompanied by a statement showing the current balance.

- Current bank statement
  Verification of the company or body corporate’s cash balances. Bank statements should identify the applicant company or partnership is the sole account holder.
Companies seeking to register as a building contractor cont.

Financials – Special purpose financial reports

Companies that have commenced trading in any capacity are required to provide special purpose financial reports in the name of the company, for the preceding two years. The most current reports must be no older than three months.

The objective of special purpose financial reports is to provide the Board with an accurate and up to date assessment of the applicant’s financial position. The reports should relate to the entirety of the company or body corporate, irrespective of whether or not the applicant engages, or proposes to engage, in activities other than building.

Special purpose financial reports should include:

- balance sheet (including working capital);
- trading profit & loss statement;
- list of aged debtors and creditors;
- list of work in progress (if applicable);
- notes to and forming part of the statements for the preceding two years.

Note: The reports must be certified by an independent accountant and one of the directors of the applicant company, or members of the board of management of the body corporate.

The Board may, where it considers necessary, request further information to clarify the applicant company’s financial position. General purpose or audited financials, proof of ownership and valuation of property may be requested. The Board may also require the company to provide a report, prepared by a financial member of a recognised Australian accounting body eg. CA, CPA or NIA, confirming the financial position and ability/viability to trade as a registered building services contractor (in accordance with the business plan provided to the Board) and highlighting the impact of any loans (particularly director and related entity loans) on the company or body corporate’s financial position.
Lodging your application

Forms to apply for building contractor registration are available from the Department of Commerce website at https://www.commerce.wa.gov.au/building-commission/building-contractor-registration

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<tr>
<th>Individual (sole trader)</th>
<th>Partnership</th>
<th>Company / Body Corporate</th>
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<tbody>
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<td>Form 13</td>
<td>Form 14</td>
<td>Form 15</td>
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Partner details: A2.1, A2.2

Complete and return the application form appropriate to your intended trading structure. Each form includes an application checklist to ensure your application is complete, and signed. Your application cannot be processed unless all of the relevant information and certified copies of supporting documentation is provided.

Certifying of documents and witnessing of statutory declarations must be by a person qualified as a witness under the Oaths, Affidavits and Statutory Declarations Act 2005 (WA) or the Statutory Declarations Act 1959 (Commonwealth). Attachment B contains a table of qualified witnesses.

The application and registration fees must be paid at the time of lodging an application for a building contractor registration with the Board. If your application is unsuccessful the registration fee will automatically be refunded and posted to the address specified on the application form.

- Application fee is non-refundable
- GST is not applicable

Applications can be lodged:

- **In person**
  - Building Commission
  - Level 1, 303 Sevenoaks Street
  - Cannington WA 6107
  - Mon-Fri 8:30am to 4:30pm

- **By post**
  - Building Commission
  - Locked Bag 14
  - Cloisters Square WA 6850

Once your application has been determined, you will be notified of the decision in writing. Building contractor registrations are valid for three years from the date approved.

Should you have any queries regarding your application for building contractor registration, please contact the Building Commission on 1300 489 099 or email bcregistration@commerce.wa.gov.au
Attachment A: Contents of a business plan

The typical contents of a business plan are:

**Executive Summary**

The Executive Summary provides an overview of the entire business operation, including the business, the market, the business potential, business strategies, financials and objectives.

**Structure and the Management**

- when and why the business was started;
- a summary of past performance (if applicable);
- management - present positions and experience;
- additions planned to the management team; and
- plans to cover illness or sudden departure of key personnel.

**Marketing Plan**

How your product or service will fit into the market and how you will establish and promote it.

**Operational Plan**

The internal structure and workings of the business. The operational plan should describe the kind of facilities, space, capital equipment and labour force (part and full-time) required to deliver your product or service.

**Financial Plan**

Details of trading history and current performance (if any), assets and debt structure, financial statements (if any) and income and expenditure projections.

The information contained in the Marketing and Operational Plans provide the basis for the annual budget and cash flow. The annual budget consists of a projected profit and loss account and a projected balance sheet.

**Action Plan**

Plans for making the Business Plan happen must be identified – who, when, what and how of being in business.
Attachment B: Certifying documents, statutory declarations and qualified witnesses

Certified copies
If you are providing a copy of a document with your application, rather than the original, it must be a certified copy. To have a copy certified you must show a copy of the document, together with the original document, to a person who is a qualified witness (list below).

The witness must:
- certify the copy is a true copy of the original;
- place their signature, together with their full name and address and their qualification to be a witness, immediately adjacent to the words of certification.

Witnessing statutory declarations
If you are providing a statutory declaration as part of your application it must be made before a person who is a qualified witness (list below).

To have a document witnessed:
- the document must be complete;
- you must provide an oral declaration to the qualified witness that the contents of the declaration and any attachments are true and correct and that the signature is yours;
- the qualified witness must see you sign the document in their presence and then sign and date the document themselves, including any attachments.

Note: If you make an error do not conceal it. Put a line through it to cross it out and write the correction above. When having the statutory declaration witnessed, the change must be initialled by both the person making the declaration and the qualified witness.

Qualified Witness
The following people, who must not be related to the applicant, are qualified to witness:

- Accountant
- Bank Manager
- Chemist
- Dentist
- Doctor
- Justice of the Peace
- Lawyer
- Local Government Councillor
- Minister of Religion
- Police Officer
- Post Office Manager
- Public Servant
- Real Estate Agent

and other people listed in Schedule 2 of the Oaths, Affidavits and Statutory Declarations Act 2005 Western Australia or, any other person whom, under the Statutory Declarations Act 1959 of the Commonwealth, a statutory declaration may be made.