

# Addressing the Auditor-General's recommendations

March 2014

The VBA is on track to complete its work to address the recommendations made by the Victorian Auditor-General's Office (VAGO) in its December 2011 report.

The VAGO report made recommendations to the former Building Commission to improve its regulatory oversight of Victoria's building permit system, which focused on:

- monitoring the building permit system
- monitoring building permit data and levies
- compliance of building permits with the *Building Act 1993* and the *Building Regulations 2006*
- regulating building surveyors
- complaints management
- practitioner capability registration and renewal.

A great deal of work has already been done by the VBA to address VAGO's recommendations through these projects. This includes:

- Strengthening the performance audit program:
  - The VBA has implemented a Building Audit Program, with an in-house audit management team that has so far undertaken a state-wide audit project of 1000 building permits issued by private and municipal building surveyors to determine non-compliance risk areas and serve as the basis for a more comprehensive risk-based audit program.
- Auditing the building permit levy:
  - The VBA has allocated increased resources to identify unpaid levy and risky practice by building surveyors.
- Increasing monitoring of the building permit system:
  - The VBA is refining its practices and procedures designed to identify and monitor risky practitioners. Accordingly, the VBA is developing an evaluation framework and clarifying targets, standards and arrangements for assessing the system's effectiveness.
- Delivering improvements to the building permit system through legislative change:
  - The VBA is working closely with the Department of Transport, Planning and Local Infrastructure to identify legislative changes necessary to deliver improvements to the building permit system.
- Upgraded customer service delivery:
  - A Customer Service Unit has been established as part of streamlining the VBA's interface with consumers and practitioners. This includes recruitment of additional staff, improved training and provision of new processes and equipment so enquiries and complaints are dealt with more efficiently.

- Improved communications with consumers and industry on regulatory matters:
  - A stakeholder engagement program that is focussed on appropriate regulation of the building and plumbing industries, involving the CEO and other senior managers, is now in place.
  - A new website will be launched on 1 July 2014 to provide better communication to consumers and the industry.
  
- Enhanced monitoring capabilities with councils:
  - Research has taken place to understand the type of information that councils hold to assist the VBA in monitoring. Consultation with council officers to discuss the strategy and likely implications for councils, including any legislative changes considered necessary, has taken place.
  
- Improving building practitioner registration:
  - The Building Practitioners Board has reviewed and updated their registration practices, such as the inclusion of personal probity checking. This has been formally adopted by the Board.
  - The Practitioner Registration/Licensing Improvement Program was established to review the end-to-end registration process for all practitioners to identify areas for improvement in relation to the practitioner assessment system, while working with training providers to enhance the quality of training provided to practitioners. This initial work has now been rolled into the work being done in preparation for the introduction of the legislative changes associated with the Victorian Domestic Building Consumer Protection Reform Strategy.

These are just some of the projects on the VBA's agenda that fulfil and improve on the VAGO recommendations. Many of the recommendations will be more comprehensively addressed within the Victorian Domestic Building Consumer Protection Reform Strategy, which importantly sees the VBA as the integrated regulator for the building industry.

The VBA recognises that for Victoria's building industry to be effective, buildings need to be constructed within a strong regulatory framework that promotes safety, health and amenity. This includes the efficient issuing of building and occupancy permits.

The VBA will continue its work long after the reforms are implemented, effectively monitoring the performance of the building permit system and determining any interventions that are needed.