

Victorian Building Authority

CORPORATE PLAN
2014-18

**ANNUAL PLAN
YEAR FOUR 2017-18**





The image features a solid red background. A white curved line starts from the top right edge and curves downwards towards the center. Another white curved line starts from the bottom left edge and curves upwards towards the center. The text is centered in the middle of the red area.

REGULATING FOR A QUALITY
BUILT ENVIRONMENT
IN VICTORIA



THE VICTORIAN BUILDING AUTHORITY (VBA)
ANNUAL PLAN 2017-18 HAS BEEN DEVELOPED
BY MANAGEMENT AND STAFF OF THE VICTORIAN
BUILDING AUTHORITY TO AID IN THE DELIVERY
OF THE VBA CORPORATE PLAN 2014-18.

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FOREWORD



Chief Commissioner and Chief Executive

Welcome to the Victorian Building Authority's Annual Plan for 2017-18.

This is the fourth and final year of our first Corporate Plan, and the VBA is moving into the next stage in its development.

As a new organisation, the VBA has focussed on the foundational activities involved in the establishment of the building and plumbing regulator. This has occurred alongside the implementation of substantial legislative reform programs, enhanced compliance and enforcement activity and significant investment in systems and processes.

The past year and the next see the embedding of those foundational activities, and the commencement of planning for our new multiyear strategic plan. At this point the organisation moves from being a new regulator, and starts looking toward a maturing horizon.

Key legislative reforms have been delivered as a result of the passing of two new bills amending the *Building Act 1993*. This meant the introduction of new functions and powers such as Internal Review, Show Cause processes for practitioner discipline, directions to fix non-compliant work, improvements to practitioner registration, and assurance that Owner-Builders are appropriately qualified. The VBA has also built capabilities to use new indictable offence provisions as a tool in its regulatory armour.

Supporting the delivery of new and existing functions, are foundational pieces such as the publication of its VBA's Regulatory Approach. The Regulatory Approach was developed in consultation with our stakeholders and establishes our strategy to regulate Victoria's building and plumbing industries and sets out the goals and outcomes we are committed to working towards. It provides industry, the public, other regulators, government and our staff with a clear statement of how we aim to perform our role and what Victorians can expect from the VBA.

In line with its commitments to improved service delivery to Victorians, the VBA has continued upgrading its information communications technology systems. The VBA has introduced VBA360, which is the new simple way practitioners and the public can access many VBA services. Areas of focus for development of VBA360 in 2016-17 included registration of owner-builders, complaints management allowing the complainant to track their complaint step-by-step, and plumbing compliance certificates. The past years extensive development program has culminated in successful deployment of these initial modules of VBA360 from July 2017.

Accompanying all of this, the VBA has introduced the Building Confidence Brand and delivered a culture change program. The VBA's Research Program commenced in 2016-17 with the delivery and publication of the Stakeholder Confidence and Satisfaction Survey. Staff participated extensively in the development of our new values statement – *We Problem Solve, We Work as One, We Deliver*, which will underpin all of our future work programs.

The upcoming 2017-18 planning period sees us charged with ongoing implementation of legislative reforms, particularly in our Licensing and Regulation functions. We are also supporting the Department of Environment, Land, Water, and Planning (DELWP) in the review and renewal of the Building Regulations 2006 and the Plumbing Regulations 2008. This will help us target areas of greatest opportunity for regulatory improvement, and evaluate existing interventions.

We aim to strengthen our regulatory activities, and improve the way we target and deliver proactive regulatory activity across multiple disciplines, and continue to improve the way we monitor and evaluate our outputs and outcomes.

As we strengthen our capacity to deliver our core regulatory services, we also aim to demonstrate innovation and flexibility in responding to emerging issues.

In that regard, at this time the VBA reflects on the Lacrosse fire and its subsequent audit program in the context of the new Victorian Cladding Taskforce. Previously, the VBA dedicated significant resources to its audit of external wall cladding in the wake of the Lacrosse building fire in 2014. Victoria led the way, being the only regulator nationally to conduct such an audit and develop joint approaches working closely with its co-regulators. The last financial year has seen renewed community focus on building cladding and the consequential establishment of the Victorian Cladding Taskforce. We welcome the Taskforce as a way of identifying pathways to further enhanced statewide understanding and compliance of building cladding.

The VBA is proud of its growing capabilities and its people. We are investing in their development, and continued visible presence in the community.

We look forward to working with practitioners, consumers, community and industry groups and our regulatory partners to deliver this Annual Plan 2017-18.

Dr Owen Donald
Chairman and Chief Commissioner

Prue Digby
Chief Executive Officer



The VBA has responsibility for delivering a broad range of functions under the *Building Act 1993* and *Building and Construction Industry Security of Payment Act 2002*.

From 1 September 2016, the Building Practitioner's Board ceased to exist except for finalising referred matters. Their functions, powers and responsibilities have been transferred to the VBA, including registering building practitioners, supervising and monitoring building practitioners' conduct and capacity to practice, including disciplinary proceedings and action, and issuing certificates of consent to owner-builders.

The VBA no longer delivers the Building Advice and Conciliation Victoria service in conjunction with Consumer Affairs Victoria. In 2017, the Domestic Building Dispute Resolution Victoria (DBDRV) was established as an independent agency to provide domestic building dispute resolution services.

The VBA will continue to support the operations and statutory responsibilities of the Building Appeals Board, and together with DELWP the Building Advisory Council and Plumbing Advisory Council.

Operating environment in 2017-18

As a self-funded regulator, the VBA's capacity to deliver activities is dependent on the economic outlook and in turn, the level of building and construction activity. In 2016-17 the State of Victoria delivered a positive economic scorecard incorporating employment growth, record low interest rates, increasing foreign investment, high business confidence, economic and population growth and a positive State Government operating result. These factors contributed to the State's continued growth in building and construction activity observed in 2016-17.

Although a similar economic outlook is shaping for 2017-18, there are indications that the level of building and construction activity will plateau and begin to fall in 2018-19 and beyond. The 2017-18 year will fiscally challenge VBA as it delivers important strategic priorities and operational requirements within a similar funding envelope to 2016-17. Consequently, the VBA will budget for an operating deficit in 2017-18 and implement strategies to ensure ongoing financial sustainability.

Also influencing the VBA operating environment are Victorian Government initiatives and policy settings such as, Plan Melbourne, Regional Growth Plans, Back to Work Scheme, and Better Apartments Design Standards, and recommendations from the Victorian Cladding Taskforce, all of which affect where and who the VBA regulates in the forward outlook.

In 2014, the VBA Board approved a four-year Corporate Plan 2014-18 that included the following vision, mission and values.

VISION

**A TRUSTED REGULATOR
A RESPECTED INDUSTRY
AN INFORMED COMMUNITY**

MISSION

**REGULATING FOR A QUALITY BUILT
ENVIRONMENT IN VICTORIA.**

VICTORIAN PUBLIC SECTOR VALUES

As a Victorian Public Sector entity, the VBA Board's Charter reflects the VPS values. As a part of the VPS, the VBA's staff must adhere to the values of:

RESPONSIVENESS
INTEGRITY
IMPARTIALITY
ACCOUNTABILITY
RESPECT
LEADERSHIP
HUMAN RIGHTS

VICTORIAN BUILDING AUTHORITY VALUES

In addition, the VBA's staff must adhere to additional and unique organisational values. The VBA's Building Confidence cultural change program included a major staff engagement process culminating in the launch of the new VBA values in 2016-17:

WE PROBLEM SOLVE
WE WORK AS ONE
WE DELIVER

Outcomes

The VBA's outcomes are aligned to sections 4 and 197 of the Building Act.



Building Act

Section 4

Community Outcomes

- Improved health and safety for people who use buildings and places of public entertainment
- Enhanced amenity of buildings
- Improved environmental and energy efficiency of buildings
- More efficient and competitive industry

Section 197

Consumer Protection Outcomes

- Improved quality and safety of building work
- Maintain competence and probity of practitioners that act with integrity
- Better informed consumers that understand practitioners' roles and backgrounds
- Effective industry enforcement

Section 197

Industry Outcomes

- Better practices in the construction and maintenance of buildings
- Improved plumbing practices that protect the integrity of water supply and waste water systems
- Improved regulation to increase compliance and competitiveness and reduce unnecessary red tape and costs

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DIRECTION



Organisation

The VBA's organisational structure is aligned to an integrated functional service model to better respond to the needs of consumers and practitioners. The VBA underwent an internal organisational restructure in October to November 2016.



Division role statements and activities

Strategy and Performance

Responsible for supporting the CEO, Board and broader VBA by developing and maintaining a strong VBA presence, building stakeholder engagement, embedding strong governance and risk management frameworks, influencing best practice policy and improved regulatory outcomes, implementation of legislative reform programs, and providing critical internal review functions to meet statutory obligations.

Corporate Services

Provides finance, information technology and people services, to enable the delivery of the VBA's functions and business improvements. Key activities include enhancing organisational capability and effectiveness; driving a culture underpinned by integrity that encourages leadership, energy and enthusiasm; providing information technology support and improvement; and providing finance and procurement support to ensure robust financial management and decision making.

Enquiries, Inspections and Complaints

Offers the majority of first contact services for external parties liaising with the VBA. It responds to, or coordinates, incoming correspondence, and is responsible for the assessment of building and plumbing complaints. Undertakes field based inspections for building and plumbing and provides technical assessments for other parts of the VBA to support regulatory activities.

Technical and Regulation

Supports implementation of the building and plumbing regulatory framework to influence standards for safety, habitability, accessibility and sustainability of buildings in Victoria.

Provides the technical expertise to guide the industry, government, consumers and other departments within the VBA to achieve Corporate Objectives.

Licensing and Registration

Responsible for administering the registration and licensing scheme for building practitioners and plumbing practitioners.

Receives, assesses and determines applications to be registered or renewed, and administers examinations and assessments to determine whether persons have satisfactory knowledge and experience.

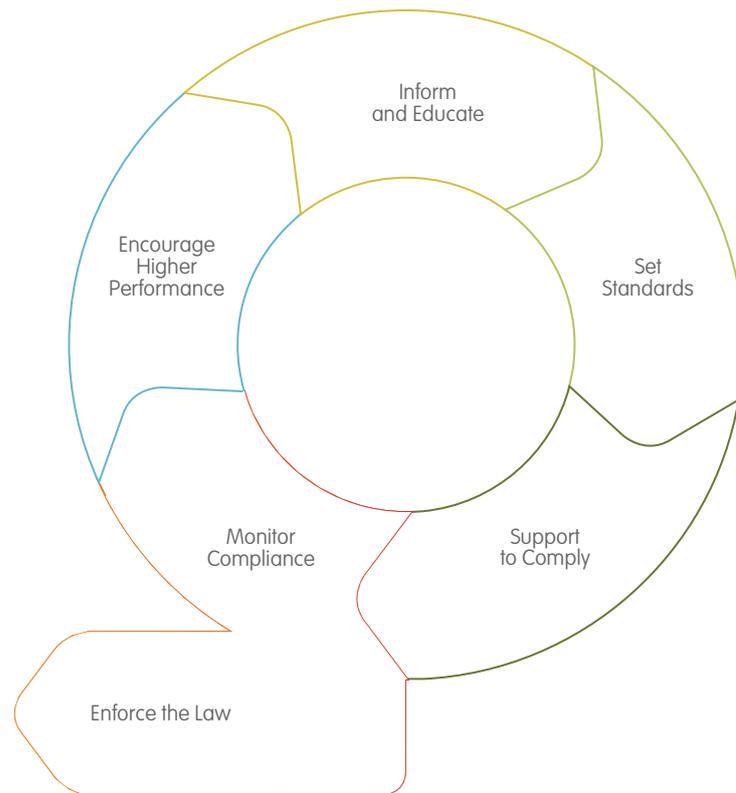
Compliance, Enforcement and Legal Services

Investigates Victorian registered building and plumbing practitioners, oversees and monitors the submission and collection of building levies, undertakes analysis to provide data and intelligence to drive VBA compliance and enforcement functions and undertakes practitioner disciplinary proceedings. Also provides legal advice and related services to the VBA.

Regulatory approach

The VBA's Regulatory Approach was published in the 2016-17 period. It is the VBA's strategy to build confidence and achieve our vision of an informed community, trusted regulator and respected industry. The Regulatory Approach describes how the VBA will use intelligence and data to identify and act in proactively addressing non-compliance.

We will focus resources and energy towards high-impact activities using information and knowledge capital to be predictable and planned while enforcing the law to ensure the VBA is credible, visible and that the Victorian community has confidence in the Authority as the principle built environment regulator.



Operating model

The VBA's operating model reflects the relationships between its regulatory functions. Over the four-year Corporate Plan 2014-18 window, the VBA has been further embedding its operating model to provide strong and efficient regulation and greater protection for Victoria's built environment.

Encourage higher performance

Work with practitioners and consumers to encourage improved performance and leadership, to improve practices and influence the development of future standards.

Inform and educate

Raise awareness of the VBA's role and jurisdiction and of the regulatory requirements for practitioners.

Set standards

Work with the Department of Environment, Land, Water and Planning (DELWP), the Australian Building Codes Board, Standards Australia, practitioners and consumers to develop new standards that enhance Australian Standards, the National Construction Code, policy and statutory regulations.

Support to comply

Provide advice and guidance to support practitioners in understanding compliance obligations and how to manage the risks of their activities.

Monitor compliance

Determine the level of compliance with current standards and laws and maintain a credible risk framework to detect non-compliant activity.

Our operating model is sequenced and risk-based, where we deal with the risk of non-compliance with increasing formality and severity.

Enforce the law

Address non-compliance within the VBA's powers, the law and standards by objectively and assertively stopping non-compliant activity.



13 THE PLAN 2017-18

Strategic Objectives – Taking Action

The Corporate Plan sets out four strategic objectives that seek to:

- Enable better protected and more confident building consumers serviced by capable building and plumbing practitioners
- Create an accessible, transparent and responsive organisation that delivers public value through effective and efficient regulatory services
- Lead a contemporary approach to regulation of industries and professions
- Increase organisational capability.

Our actions in 2017-18 will support meeting these objectives and will lead to positive outcomes for our practitioners, the community and the VBA.

The upcoming year will also see the VBA review its strategic objectives, in developing its next strategic plan for the post 2014-18 period.

Protected consumers and capable practitioners

Strategy	Action
Build the capability of practitioners	<ol style="list-style-type: none"> 1. Implement licensing and registration legislative reforms <i>Refer also:</i> <ul style="list-style-type: none"> • Action 4 • Action 20
Deliver improved consumer protection	<ol style="list-style-type: none"> 2. Develop and implement a multi-disciplinary investigation team, with a focus on proactive investigations 3. Review effectiveness of technical enquiry line 4. Deliver contemporary practitioner guidance to support compliance with legislative reforms*
Deliver improved consumer and practitioner information	<ol style="list-style-type: none"> 5. Investigate methods to better navigate the building process and the understanding of the remit of the VBA and other regulators in the building space 6. Continue to increase awareness of the VBA through implementation of the brand strategy <i>Refer also:</i> <ul style="list-style-type: none"> • Action 12

* Continuing or amended action from *Annual Plan Year Three 2016-17*.

Public value	
Strategy	Action
Deliver a positive customer experience	<p>7. Build a more effective state-wide service model*</p> <p><i>Refer also:</i></p> <ul style="list-style-type: none"> • Action 31
Develop and maintain a strong VBA presence and stakeholder engagement	8. Continue to implement the stakeholder engagement and communication strategy*
	9. Increase consumer understanding through stronger articulation of VBA role and investigation of implementation of web-based tools
Drive consistency of decision-making	10. Improve licensing and registration practices to reduce unnecessary regulatory burden on industry*
	11. Strengthen policy and process for decision making for security of payments, information guidance and temporary structures
	12. End-to-end review of complaints-handling processes

* Continuing or amended action from *Annual Plan Year Three 2016-17*.

Contemporary approach

Strategy	Action
Deliver strategic and major projects arising from statutory obligations	13. Implement the Minister's Statement of Expectations to improve regulatory outcomes*
	14. Implement legislative and regulatory changes*
	15. Support DELWP in sunseting of the building regulations*
	16. Support DELWP in sunseting of the plumbing regulations
Develop a regulatory approach	17. Participate in the development of national building and plumbing standards*
	18. Enhance organisational intelligence capabilities to inform regulatory activities*
	19. Implement an expanded risk-based building and plumbing audit program
	20. Enhance risk-based approach to compliance of builders and plumbers and develop a greater focus on practitioners who have a history of non-compliance <i>Refer also</i> • Action 22
Influence and inform best practice policy and regulation	21. Conduct research and gather evidence regarding the regulation of Victoria's building and plumbing industries*
	22. Develop and implement an outcomes-based monitoring and evaluation framework*
	23. Improve use of data in informing regulatory decision-making and explore opportunities arising from implementation of VBA360 to further refine processes and reporting
	24. Explore certification of qualifications by professional building industry associations <i>Refer also</i> • Action 33

* Continuing or amended action from *Annual Plan Year Three 2016-17*.

Organisational capability	
Strategy	Action
Increase staff skills and capability	25. Continue to embed the new employee classification framework in all HR policies*
	26. Continue learning and development activities with a focus on building leadership capability*
Drive a culture underpinned by integrity that encourages leadership, energy and enthusiasm	27. Continue to align Corporate Plan direction and performance management*
	28. Implementation of the Building Confidence cultural program*
Embed strong governance	29. Refine VBA ICT strategy*
	30. Address issues identified in audits and reviews and embed practices that support improved outcomes*
	31. Implement VBA360 (BST) to support the VBA's operations and optimise consumer outcomes
Manage our finances prudently	32. Upgrade financial systems to allow for better management of functions*
Develop research function	33. Strengthen research and policy capacity and develop research agenda

* Continuing or amended action from *Annual Plan Year Three 2016-17*.



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