

Victorian Building Authority
Corporate Plan
2018–22





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Foreword

Chief Commissioner and Chief Executive Officer

The *Corporate Plan 2018–22* details work the Victorian Building Authority will undertake to continue its transformative journey, which started in 2014. This plan sets ambitious goals for the VBA and the building and plumbing industries.

The Corporate Plan communicates to stakeholders a vision for a building and plumbing regulator that is:

- Trusted;
- Respected;
- Transparent; and
- Responsive.

Much has come to light since the previous VBA Corporate Plan was released. By way of example, recognition of widespread use of combustible cladding has drawn attention to the challenges associated with industry practices, product certification and skills shortages. In Victoria, these issues have been documented by the Auditor-General in 2015 and by the Victorian Cladding Taskforce in its December 2017 Interim Report.

Our immediate priority is to address these and other challenges, and thereby maintain the confidence of the Victorian community. As a trusted regulator, we will respond quickly to risk, increase our presence on the ground and implement the Taskforce’s recommendations. We’ve set ambitious goals, focusing our efforts on delivering firm but fair regulation that protects our community.

Substantial re-design of our processes is underway, including more efficient registration and licensing of practitioners. We are also forging stronger relationships with our co-regulators, establishing further collaboration with industry partners, acquiring specialist industry expertise and exploring new ways of implementing a risk-based regulatory approach.

The period 2018–22 also represents an opportunity for us to build upon the good work already completed from our previous Corporate Plan, while addressing the future challenges of a rapidly changing industry.



Dr Owen Donald
Chief Commissioner



Sue Eddy
Chief Executive Officer

Our Purpose

As Victoria's principal regulator for building and plumbing, the VBA regulates for a quality built environment in Victoria. The VBA contributes to public health, safety and amenity by overseeing compliance with regulations, legal requirements and professional standards, and by encouraging continuous improvement. We do so in the interests of consumers and industry participants for the benefit of all Victorians.

Our Vision

+



Trusted

As a firm but fair regulator that acts in the interests of all Victorians.

+



Respected

For our knowledge and expertise by industry, co-regulators and the community.

+



Transparent

In the way in which we regulate, how we communicate, how we target the use of our resources and in our results.

+



Responsive

To new and emerging issues through a risk-based regulatory approach, research and innovation.

Our Values

The VBA's values encompass and reflect the values of the Victorian Public Sector: Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human Rights. The VBA expresses these values through the way in which we work with all Victorians. We call this the VBA Values in Action.

Our VBA Values in Action

- ↳ We Problem Solve
- ↳ We Work as One
- ↳ We Deliver

Our Strategic Objectives

Our strategy aims to:

Protect our community

Enable better protected and more confident building consumers, serviced by capable building and plumbing practitioners.

The VBA will:

- Complete its audit of the highest-risk sites identified by the Statewide Cladding Audit and begin to audit previously unrecognised buildings;
- Provide information and practical mitigation measures to keep people safe from the fire-spread risks of combustible cladding;
- Make the licensing and registration system more efficient, simpler to navigate and more transparent, so consumers can easily confirm the credibility of practitioners;
- Establish both a swimming pool and spa register and associated community education program to reduce the risk of children drowning; and
- Discipline practitioners who flout the rules and place Victorians at risk from unsafe building and plumbing practices.



Empower industry, practitioners and consumers

Enable community, practitioners and co-regulatory partners to contribute to a safe and compliant industry.

The VBA will:

- Forge new partnerships and strengthen existing networks as we pursue our objectives for consumer protection;
- Work with industry to resolve complex problems and ensure effective consumer protection and support of innovation;
- Align our regulatory activity with co-regulators to include joint inspections that minimise duplication of effort and unnecessary imposition on business; and
- Become increasingly transparent about our work and reach broader segments of our community.

Respond to risks and concerns

Hold practitioners to account for defective and non-compliant building work.

The VBA will:

- Shift our focus to an intelligence-led, risk-based approach consistent with our primary role as a regulatory authority;
- Establish formal processes that refer relevant complaints to our co-regulatory partners with minimal inconvenience to consumers;
- Further develop our intelligence gathering and data analytics capabilities, and implement processes for applying insights to practice;
- Intensify our inspection capability to ensure we visit no less than 10 per cent of building permits issued, dramatically increasing our compliance activity and detection of non-compliant practitioners;
- Increasingly use its regulatory powers to influence industry culture and minimise non-compliance; and
- Champion improvements to the Building Code of Australia and other regulatory instruments to ensure effective protection of consumers and promotion of a vital and innovative industry.

Our Strategic Objectives

Influence industry and key decision-makers

Be a trusted authority and source of advice on Victoria's built environment, providing guidance on complex building and plumbing problems.

The VBA will:

- Represent the interests of Victorian consumers and practitioners on the Australian Building Codes Board;
- Work with DELWP on ongoing legislative change to further improve compliance;
- Work with the Commonwealth Government to respond to the recommendations made by Professor Peter Shergold AC and Ms Bronwyn Weir in their final report, *Building Confidence – Improving the effectiveness of compliance and enforcement systems for the building and construction industry across Australia*; and
- Work with municipal building surveyors and registered building surveyors, improving our ability to co-regulate.

Improve our culture and capability

Increase our technical knowledge and capability to deliver efficient and effective regulatory oversight.

The VBA will:

- Implement the recommendations of the Victorian Cladding Taskforce;
- Develop an outcomes and performance framework that provides clarity on expected performance and feedback against targets at every level of the organisation;
- Establish a Talent Management Framework to identify and develop our emerging and next generation of leaders;
- Ensure our people reflect the diversity of the community we serve;
- Ensure our culture and values place the highest priority on the health, safety and wellbeing of our people; and
- Ensure fairness, dignity, respect, inclusivity and embracing of difference prevail.

Strategic Risks

The VBA identifies, prioritises and mitigates risk through an Enterprise Risk Management Framework, aligned to *AS/NZS Risk Management – Standards, Principles and Guidelines* and the *Victorian Government Risk Management Framework*.

Embedded into the risk management process is an ongoing focus on the following key areas of strategic risk:

Increase of disruptive technologies

Technological advances and innovative business models across the building and plumbing industries promise to provide consumers with more affordable housing and industry with increased productivity.

The pace and extent of change, combined with competitive pressure to reduce cost, may result in a rapid spread of industry practices that do not produce the safety, reliability and quality the community expects.

To mitigate these risks, the VBA is developing an expert skill base, actively monitoring emerging technologies and industry trends, while strengthening collaboration with industry, co-regulators and relevant government agencies.

Responding to significant issues

The building and plumbing industries are broad and complex environments with competitive pressures driving the pursuit of efficiency and innovation. These pressures may give rise to risk in many areas of the community and industry. Such risk includes:

- Construction methods and materials giving rise to safety concerns for building occupants;
- Long-term structural integrity and durability of buildings;
- Technical proficiency and skill level of building and plumbing practitioners;
- Inadequate attention to the legitimate safety concerns of the public and neighbouring properties during construction; and
- Buildings that do not meet contemporary expectations for energy efficiency or accessibility.

These risks can manifest rapidly, causing potentially severe consequences for public safety and confidence in the industry to fall. The VBA needs to apply insight from inspections and operations, champion regulatory improvements and, together with industry, proactively prepare for emerging risk issues, so we can respond quickly and effectively when significant risks are identified.

The VBA is continuing to develop and enhance its professional expertise, capability and capacity to anticipate and deliver timely and effective responses to significant risk issues.

Strategic Risks

Balancing community and industry expectations

Stakeholders in the building and plumbing industries have a wide variety of perspectives on achieving the maximum protection and safety of consumers, ensuring durable construction, and interpreting and enforcing relevant regulations, standards and codes.

As the principal regulator, the VBA must inspire confidence in its ability to balance these competing interests and to regulate fairly and in the public interest.

The VBA drives broad stakeholder consultation and collaboration, with robust decision-making processes to ensure the integrity and evidence base of all activities.

Delivering confidence and earning public trust

The building and plumbing industries' regulatory framework crosses national and international boundaries through the widespread use of imported building products, the mutual recognition of practitioner registration and responsibility for enforcing nationally agreed standards shared by state and local governments.

Effective regulatory oversight of the industry relies on the VBA maintaining the capability and authority to respond to evolving work demands. It also relies on effective collaboration between regulatory partners, stakeholders and all levels of government.

The VBA is committed to building workforce expertise and reforming business systems and processes. It takes a leadership role in this challenging environment, maintaining respectful engagement and earning consumer and industry trust through transparent actions and performance.

Mitigating the impact of economic downturn

State and VBA revenues and private sector profitability have all benefited from buoyant building and plumbing industries powered by a long period of sustained economic growth. An economic downturn could significantly reduce both regulatory revenue and practitioner profitability.

As a self-funding industry regulator, an economic downturn poses a risk to the VBA's ability to sustain the level of regulatory activity expected of it. An economic downturn will also place pressure on practitioner profitability, potentially incentivising cost cutting and compromising build quality. In this event, the VBA may need to balance its operations with the increasing pressure of regulatory risk in an environment of declining resources.

Our long-term financial strategy will help the VBA ensure it holds adequate financial reserves to maintain regulatory activities during an economic downturn. In addition, our increasing focus on proactive, risk-based inspections will enable the VBA to detect and mitigate signs of deterioration in practitioner compliance.



Our Responsibilities

The VBA is responsible for delivering a broad range of functions under both the Building Act and the Building and Construction Industry Security of Payment Act.

The VBA's responsibilities include:

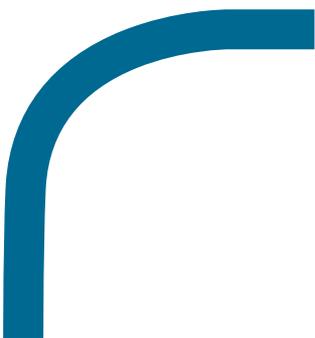
- Responding to general enquiries from the public about the building and plumbing industries;
- Registering, licensing and disciplining builders and plumbers in Victoria;
- Issuing owner-builder certificates of consent;
- Monitoring the collection of building permit levies;
- Overseeing the work of building surveyors and Victoria's building permit system;
- Providing expert technical advice and informed solutions to industry;
- Undertaking inspections, investigations and audits to enforce compliance with relevant legislation;
- Working with other agencies and regulators to ensure building and plumbing practitioners are compliant and consumers are protected;
- Undertaking research to ensure the VBA regulatory approach remains current;
- Encouraging appropriate innovation within the building and plumbing industries; and
- Publishing guidance for building and plumbing practitioners.

To fulfil these responsibilities, the VBA supports the operation and statutory responsibilities of the Building Practitioners Board, Building Appeals Board, Building Advisory Council, Plumbing Advisory Council and the Building Regulation Advisory Committee.



Operating Environment

Victoria's nation-leading growth in residential and commercial construction has been driven by strong jobs creation, rising population and surging investment. With Victoria's population estimated to reach 10 million by 2051, the future of the building and plumbing industries is secure in the short and longer term.





The effectiveness of building regulation in Victoria and around the world is under scrutiny. At a local level, in 2015, the Victorian Auditor-General found there was limited assurance that domestic building construction complied with minimum standards. Internationally, the emerging problem of non-compliant combustible cladding is being attributed to (amongst other factors) widespread failure across the regulatory system.

Regulating the building industry introduces complex challenges, including:

- Construction methods and materials giving rise to safety concerns for building occupants;
- Long-term structural integrity and durability of buildings;
- Technical proficiency and skill level of building practitioners;
- Inadequate attention to the legitimate safety concerns of the public and neighbouring properties during construction; and

- Buildings that do not meet contemporary expectations for energy efficiency or accessibility.

The VBA is committed to addressing these challenges and recognises that it needs to work tirelessly as a transparent, responsive and innovative regulator to maintain the trust of the community, industry and Government.

Operating Model

Risk-based Regulation

The VBA uses a modern, risk-based regulatory model to support the application of its regulatory tools.

The model enables us to:

- Encourage higher performance;
- Inform and educate;
- Develop policy and influence standards;
- Support compliance;
- Monitor compliance; and
- Enforce the law, holding non-compliant practitioners to account.

Figure: The VBA's sequential, risk-based approach to regulation.



The VBA supports practitioners to comply with their obligations by providing up-to-date information and education on developments in regulations, standards and codes. Monitoring and enforcement activities target areas that generate the highest risks to the public, while disciplinary action takes into account a practitioner's history of compliance and co-operation with the VBA.



VBA VICTORIAN BUILDING AUTHORITY

VBA VICTORIAN BUILDING AUTHORITY BUILDING CONFIDENCE

VBA VICTORIAN BUILDING AUTHORITY BUILDING CONFIDENCE

Risk Management Approach

The VBA takes an intelligence-led, evidence-informed, risk-based approach to regulation.

Maturing data analytics and intelligence capabilities are enabling the VBA to quickly identify recurring themes and problematic practitioners. Using techniques such as inspections, performance audits and investigations, the VBA accumulates the evidence it needs to assess the risk of non-compliant works occurring.

Regular risk assessments determine which matters we prioritise for immediate action and those that can wait. Our risk-based approach sometimes means we cannot respond to matters where the consequences of non-compliance are negligible.



Our Enablers

Financial Sustainability

Ensuring the VBA has a self-sustaining model.

Workforce Capability

Attracting, retaining and developing industry and technical experts.

Business Transformation

Shifting our business improvement focus to deliver quick and efficient transactions for consumers and practitioners.

Partnerships

Working with our stakeholders, co-regulators and extended community.

Enhanced Governance, Risk and Reporting

Measuring, analysing and evaluating our performance.

Improved Powers, Tools and Enabling Policies

Guiding and informing our decisions through the use of industry intelligence, research, risk and data analysis.





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