

21 December 2021

Hon Richard Wynne MP
Minister for Planning
Level 16, 8 Nicholson Street
EAST MELBOURNE VIC 3002

Dear Minister

Statement of Expectations 2021-2023

Thank you for your letter of 26 September 2021, providing your Statement of Expectations (SOE) to the Victorian Building Authority (VBA) covering the VBA's contribution to promoting safety and compliance as lead regulator of the Victorian building industry. I understand your expectations apply from the date of your letter through to 30 June 2023, unless amended in the interim.

As set out in the VBA Board's five-year Strategic Plan 2021-2026, the VBA is committed to safeguarding Victoria's future, and contributing to three public value outcomes: safe and resilient buildings; communities reaching their potential; a confident and thriving industry. This commitment supports practitioner compliance, while taking timely, targeted enforcement action on non-compliant practices. To this end, the VBA continues to enhance its risk-based regulatory practice, and the way we operate and engage with industry, consumers, and key stakeholders.

The VBA is excited to be part of the State Government's reform program that will change the way the building system is regulated, how industry and practitioners operate and are held accountable, and how consumers are represented and protected. The VBA will play a key role in supporting industry and consumers to navigate these changes, as we have done in response to COVID-19 impacts and will continue to do in a future COVID normal environment. Future challenges arising from living and working with COVID-19 are unknown at this stage. While it is unclear how these challenges may affect scopes and commencement dates for reforms, the VBA will endeavour to meet your expectations over the next two years.

Anticipated changes and reform implementation will require appropriate resources and funding in addition to that needed for the delivery of existing VBA obligations. VBA management will continue to work closely with the Department of Environment, Land, Water and Planning on confirming reform changes, timeframes, and funding requirements for implementation. Collaboration and balancing fiscal pressures with resourcing needs will underpin our individual and collective progress.

As you reflect in your statement of expectations, the VBA is currently going through a fee model review and reset. While we recognise and are pursuing efficiency options, this fee reset is a key element to providing a sustainable and scalable funding stream for the VBA to allow ongoing delivery of its current activities and expectations.

Specific activities to be undertaken by the VBA to deliver SOE performance improvements and reach targets over the next two financial years are outlined in **Attachment 1**.

The VBA Board will continue to work closely with the VBA Executive to monitor progress against your expectations and will receive regular reports to demonstrate delivery. The VBA will provide baseline levels for SOE performance targets in the 2021-22 financial year and publish quarterly reports on regulatory activity and high-level risks identified through proactive inspections and audits, commencing from March 2022.

The VBA welcomes further opportunities to share our thought leadership, and regulatory and research insights to inform the review of Victoria's building system, national and state legislative reforms. Our bold Strategic Plan demonstrates that the VBA is future-focused, committed to continuously improving and adapting to the changes at hand and ahead of us, to safeguard Victoria's future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michelle McLean', with a stylized flourish at the end.

Michelle McLean
Chief Commissioner