

# Regulatory Policy Statement

November 2023



The Victorian Building Authority respectfully acknowledges the Traditional Owners and custodians of the land and water upon which we rely. We pay our respects to their Elders past, present and emerging. We recognise and value the ongoing contribution of Aboriginal peoples and communities to Victorian life.

We embrace the spirit of reconciliation, working towards equality of outcomes and an equal voice.

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# Regulatory Policy Statement

**This Statement explains how the Victorian Building Authority (the Authority) delivers on its role within the building and plumbing regulatory system.**

## **This Statement:**

Sets out the Authority's objective to improve consumer outcomes as a Trusted Regulator **Pages 4-9**

Describes who we regulate and how we use our powers **Pages 10-15**

Outlines how we regulate, prioritise our resources and approach compliance **Pages 16-17**

Summarises the building and plumbing regulatory system and other key agencies who are involved including those who support consumers **Page 18-20**

# Being a Trusted Regulator

## The Regulatory Equation



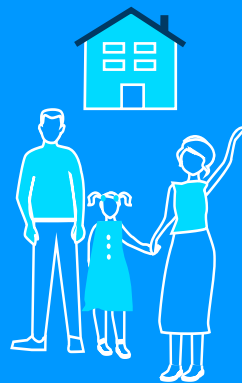
**Builders and plumbers accountable for safety and quality**



**Relevant Building Surveyors**



**Authority's regulatory activity (full suite of tools)**



**Improvements in consumer outcomes**

**When practitioners deliver quality and compliant work, minimal regulatory intervention is required.**

### For consumers, the Authority's approach means:

- The Authority will act within its legislative powers to deliver a safe and compliant built environment.
- We achieve this through our regulatory oversight of building and plumbing practitioners.
- The Authority identifies problems and targets its regulatory efforts to improve the building industry based on consumer reports of issues.

### For builders, plumbers and other practitioners, the Authority's approach means:

- The Authority will support you through education and guidance.
- It is your responsibility to deliver a safe and compliant built environment.
- You must be licensed or registered (as required by legislation), maintain competence and have the capability to carry out the work you commit to performing.
- We will use our regulatory powers to ensure you meet the required standards.

### For building surveyors, the Authority's approach means:

- We see you as a valued partner in the regulatory system and expect you to take appropriate action to ensure safe and compliant buildings.
- The Authority will support you in your regulatory role, including providing relevant and useful information regarding regulations or technical interpretations.
- The Authority will use its powers to ensure that you act appropriately as required by your statutory functions and that your business arrangements with other practitioners operate with integrity.



# The Authority regulates industry to improve consumer outcomes.

Effective industry regulation enables consumers to enjoy a safe and quality built environment.





## What we do

The Authority:

- Provides oversight of practitioner capability through effective and efficient registration and licensing processes
- Monitors industry compliance with building and plumbing standards through proactive inspections and audits
- Uses enforcement powers when appropriate to achieve compliance and acts in the public interest
- Applies intelligence and data, including research and analytics, to better inform our regulatory strategy and approach
- Uses and shares our technical knowledge and expertise to improve the regulatory system, and to support builders, plumbers and other practitioners in the delivery of positive consumer outcomes.

## Being a Trusted Regulator

The Authority prioritises its resources and regulatory effort on those areas which pose the greatest risks of harm to consumer outcomes.

The Authority commits to:

- Focusing on consumer outcomes through our regulatory activities
- Communicating clearly how we regulate practitioners and our expectations of all practitioners
- Using our regulatory tools effectively and in a timely manner
- Taking corrective action – including removal of practitioners from the industry – to improve the safety and quality of the built environment.

## Our expectations

Building and plumbing practitioners are accountable to deliver safe and compliant work. We expect that all practitioners have the relevant capability and competence to carry out any work according to legislative and industry standards.

The Authority will support those practitioners who aim to deliver the right outcomes. However, for those practitioners who do not deliver safe and compliant outcomes, the Authority will use our regulatory powers to bring them into compliance. Where justified, we will seek to remove practitioners from the industry.

## Our people

To deliver on our commitments, we empower, train and support our people to make decisions and undertake their roles effectively. We support a positive workplace culture which focuses on staff wellbeing.

Our robust integrity framework requires that all of our people act with the highest standards of probity to ensure that positive consumer outcomes are the focus of what we do.

## How we monitor our performance

The Authority's Board and Executive Leadership Team monitor the performance of the Authority's regulatory strategies and compliance programs. The Authority provides public reporting on its performance each year through its Annual Report.

The biannual Compliance and Enforcement Report is designed to give industry, practitioners and the community an insight into our activities. The Building Documentation Audit program aims to identify and reduce non-compliant building work in Victoria.

The Authority regularly publishes reports following desktop reviews of building permit and occupancy permit documents to ensure practitioners are carrying out their functions correctly.

The Authority is improving its performance and evaluation framework to ensure that we can measure our success as a trusted regulator and targeted enforcer.

**We are transparent and clear about what is acceptable and what is not and the consequences of non-compliance.**





# Who we regulate

## Practitioners

Safety and compliance starts with building and plumbing practitioners. They are accountable for ensuring the work they do is safe, is of a high standard and complies with the *Building Act 1993* (the Act), associated regulations and guidelines.

Australia has a National Construction Code (NCC) that sets out in detail the requirements for the construction of buildings, including plumbing and drainage. There are also specific Victorian regulatory obligations which must be met.

We expect that building and plumbing practitioners will:

- keep up-to-date with all relevant regulations, codes and standards
- have the technical knowledge, capacity and ability to meet regulations, codes and standards, and
- work with honesty and integrity to produce a built environment that is safe to live and work in and of lasting quality.

A depiction of how practitioners are regulated is set out on page 14.

## Rogue practitioners

Rogue practitioners (including unqualified people) are those who intentionally or continually fail to comply with relevant legislation or standards, leading to unsafe or non-compliant outcomes for consumers.

Examples include unregistered and unlicensed practitioners, practitioners who continue to cut corners and those who fail to deliver safe and compliant outcomes for consumers.

The Authority has no tolerance for rogue practitioners.

## Building Surveyors

For any building work that requires a building permit, the consumer is required to choose and appoint a building surveyor. The Relevant Building Surveyor has a key regulatory role to monitor building practitioners to ensure the work they do meets all regulations, codes and standards. This occurs through inspections at mandatory stages.

Fundamental to the effective operation of our regulatory system is the legislative power that gives the choice of Relevant Building Surveyor to the consumer. Given the critical role played by building surveyors, it is vital that consumers are confident they have chosen someone who is independent and well qualified.

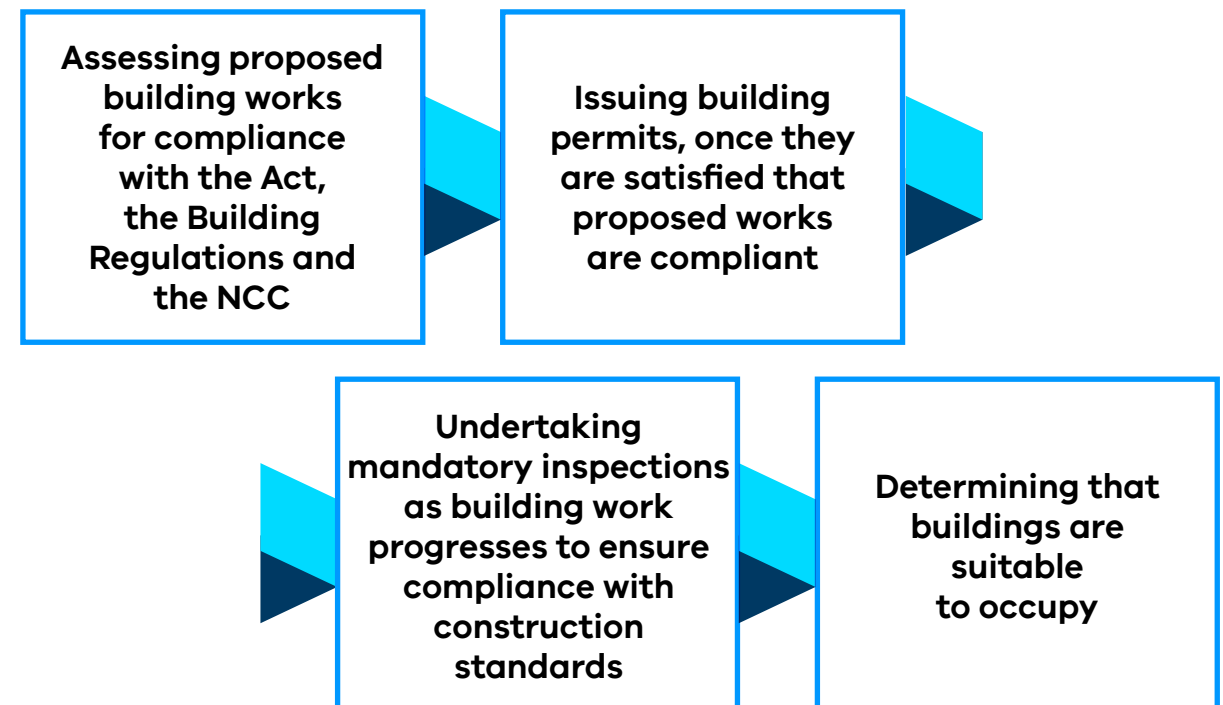
Building surveyors are expected to act in accordance with the Authority's Code of Conduct for Building Surveyors at all times, with the Authority monitoring surveyors and their compliance with this Code. More information on building surveyors is available on the Authority's website: [vba.vic.gov.au/surveyors](http://vba.vic.gov.au/surveyors).

## The types of practitioners the Authority regulates include:

- builders (commercial, domestic and demolisher)
- building surveyors, building inspectors and pool inspectors
- plumbers (both licensed and registered) working in drainage, gasfitting, mechanical services, roofing (stormwater), fire protection, sanitation and water, and
- draftspersons, project managers (domestic), erectors or supervisors (temporary structures), and quantity surveyors.

**Consumers are required to appoint a Relevant Building Surveyor for works that require a building permit.**

# Building surveyor responsibilities:





# The Authority's legislative powers are directed at building and plumbing practitioners.

The Authority uses all of its regulatory powers and tools to support safe and compliant consumer outcomes.





# Regulating Practitioners

## Performance and delivery of work

### Practitioners

- Practitioners are responsible for delivering safe and compliant work that is of a high standard and complies with the Act, associated regulations and guidelines.
- Practitioners are responsible for keeping up-to-date with regulations, codes and standards and maintaining their technical knowledge.
- Practitioners are responsible for maintaining relevant and required insurance to protect consumers from financial loss.
- Practitioners are expected to do the right thing, to ensure a safe and quality built environment.

## Oversight and approvals

### Building Surveyors

- The Relevant Building Surveyor is responsible for issuing permits and inspecting building work (at mandatory inspection stages) to ensure compliance with the legislation and regulations including all relevant codes and standards, and that a building is safe to occupy.
- They issue (or cancel) occupancy permits.
- Municipal Building Surveyors inspect buildings for compliance and have powers to order non-compliant work to be fixed and issue emergency orders if there is an immediate threat to the health and safety of occupants or the community.
- The Relevant Building Surveyor relies on other experts (e.g., fire safety engineers, structural engineers, licensed plumbers) or their own judgement.

### Plumbers

- Plumbers self-certify their work and issue a compliance certificate to the consumer.
- For plumbing work that is part of a building project, the plumber provides compliance certificates to the builder and building surveyor.

## Monitoring the system

### Victorian Building Authority

- Oversees compliance and enforcement and takes action against practitioners for non-compliance, including issuing Directions to Fix, rectification notices and taking disciplinary actions or prosecuting.
- Undertakes audits and inspections of building sites, plumbing work and the work of building surveyors.
- Uses a harms-based approach to regulation to direct its resources to areas that pose the greatest risk to the health and safety of building occupants and consumers. More information about the Authority's harms-based approach to regulation can be found on the Authority's website.





# How we regulate

## Prioritising our effort

The Authority directs its regulatory actions to where the potential harm to consumers is greatest, and where our regulatory powers can have the most impact.

Examples include targeting specific practitioners, undertaking directed regulatory interventions on a specific harm and conducting research or educating industry on current or emerging areas of harm.

## Our compliance approach

Industry and the community expect a fair and proportionate approach to regulation that is tough on those who compromise the health and safety of consumers or building occupants via enforcement action, but reduces the regulatory burden on those doing the right thing. This is the essence of our 'harms-based approach' to regulation.

The Authority will use enforcement actions where there is a safety or non-compliance risk, or where a practitioner has a history of poor performance.

## Data and intelligence-led

The Authority uses intelligence from a range of sources to help focus efforts. This includes internal data from audits and inspections, industry tip-offs, other agencies and consumer reports.

We will also use a practitioner's history to inform our regulatory focus and response to any non-compliance.

## Our tools and powers

Our tools range from providing education services to help practitioners maintain competency as well as sanctioning and disciplinary powers to directly address poor practitioner behaviour.

The approach outlined in this Statement builds on other inputs, including the Minister's Statement of Expectations, the Authority's *Vision27* strategy, Better Regulation Victoria's Towards Best Practice Regulation and the work of the Victorian Building System Review Expert Panel.

We are gearing up to use our full suite of powers more often. This means that the Authority will, where necessary:

- Use Directions to Fix and rectification notices to require practitioners to remedy non-compliant work
- Seek maximum penalties to reinforce our expectations and change practitioner behaviour
- Use our registration, licensing and disciplinary powers to remove those practitioners from the building and plumbing system who put consumers at risk.

## The Authority and consumers

The Authority takes information from consumers, including complaints, seriously to inform our regulatory activity.

The Authority's regulatory tools are oriented towards practitioner compliance with relevant building and plumbing regulations, codes and standards. This means the Authority is not always able to intervene or directly support a consumer outcome (e.g., during a contract dispute). The Authority's role is to ensure compliance with the Act.

The Authority works closely with other regulators in the system, such as Consumer Affairs Victoria (CAV) and Domestic Building Dispute Resolution Victoria (DBDRV), to provide consumers with a coordinated approach to how we regulate. More information on our regulatory partners is set out on pages 18-20.

Further guidance for consumers is available from the website: [building.vic.gov.au](http://building.vic.gov.au).

We leverage our powers to get the best outcome for consumers.

## Consumer reports and tip-offs

The Authority receives complaints and tip-offs from consumers about potentially harmful building and plumbing work or practitioners.

These insights provide vital intelligence and helps target our regulatory effort towards specific practitioners and potential safety or compliance risks.

## We work with our regulatory partners to support consumer outcomes.





## The Building Act

The Act is the primary act which describes the regulatory system and this Act allocates specific powers to different agencies, authorities and other regulatory roles. Through this Act, the Authority has powers which focus on capability and capacity of building and plumbing practitioners and their compliance with relevant standards.

## The Victorian economy relies on a well-regulated building system

The building and construction industry is critical to Victoria's economic prosperity. There is a serious level of risk to human life, property, economic wellbeing and the environment if building and plumbing work is not carried out properly and fails to meet relevant standards. When practitioners fail to deliver, it impacts consumers' financial and personal wellbeing.

The Authority is one of several regulators in Victoria's building regulatory system. The Authority is responsible for monitoring and enforcing building and plumbing compliance. The regulatory relationships are outlined on page 20.

The Authority's primary focus is on the capability, conduct and practices of building and plumbing practitioners, to help ensure safety and quality in our built environment. By supporting proficient practitioners, and addressing problem practitioners, we help to protect consumer interests. Our role is supported by the regulatory roles of local councils and relevant building surveyors, who interact closely with practitioners.

The Authority's role is further complemented by the work of other government agencies, such as CAV, DBDRV and the Victorian Managed Insurance Authority.

WorkSafe Victoria and Energy Safe Victoria also assist consumers with urgent safety issues related to building and plumbing work.

The Authority works closely with practitioners, building surveyors, industry associations and bodies, and regulatory partners to be a Trusted Regulator that improves consumer outcomes.

# Safe quality buildings are a shared responsibility by all players in the system - practitioners, building surveyors and partner regulators.





# Regulators and other agencies in Victoria's building system

**Practitioners:  
Accountable for quality and safety**



## Victoria's Building Regulatory System

### Victorian Building Authority

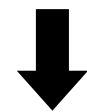
Monitors and enforces compliance through registration and licensing of practitioners, monitoring of building and plumbing work and taking enforcement action

### Local councils/ Municipal Building Surveyors

Inspect buildings, issue or revoke notices, determinations and orders (for non-compliance or emergencies) that impact on health, safety or life

### Relevant Building Surveyors

Issue building permits, enforce safety and building standards, carry out inspections, and issue certificates of final inspection and occupancy permits



## Other regulators and agencies

Architects Registration Board of Victoria	Building Appeals Board, courts and VCAT	Consumer Affairs Victoria	Domestic Building Dispute Resolution Victoria
Energy Safe Victoria	Fire authorities	Victorian Managed Insurance Authority	WorkSafe Victoria



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