Building a future together

Building Commission Annual Report 2002
Letter to the Minister

The Hon. Mary Delahunty, MP, Minister for Planning

Dear Minister

In accordance with the Financial Management Act 1994, I am pleased to submit to you the Building Commission’s Annual Report for the year ending 30 June 2002.

Yours sincerely

Tony Arnel, Commissioner

Vision
- The Building Commission is a high profile leader of standards and change in a robust and vital industry
- The building industry is sustainable and provides rewarding careers for participants
- It exceeds the expectations of customers and is proud of its reputation

Purpose
- To take a stronger leadership role in building activities in Victoria
- To drive better building control across the state
- To measure and achieve improved outcomes for the Victorian building industry

Values
- Our organisational values reflect our attitudes to the community, our services, our business and each other. We:
  - Achieve common goals by working together – teamwork
  - Are principled in our relationships – integrity
  - Strive for excellence – leadership and vision
  - Achieve enduring benefits for the community – making a positive difference
  - Acknowledge personal needs and responsibilities – life balance

Outcomes
- Quality building
- An attractive industry
- Satisfied consumers

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We are building on our relationships with stakeholders and partners as we continue to move forward and develop better building control and a stronger leadership role.

Tony Arnel, Commissioner, Building Commission

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2001/2002 Highlights

**Builders warranty insurance**
The Building Commission played a critical role in reshaping builders warranty insurance in Victoria in response to turmoil in the Australian and global insurance markets.

**Building Advice and Conciliation Victoria**
As part of the solution to builders warranty insurance, the Building Commission worked together with Consumer Affairs Victoria to create Building Advice and Conciliation Victoria (BACV).

**Security of payment**
To ensure fair and timely payment of contractors and subcontractors to the building industry, the Building Commission developed Security of Payment legislation that comes into force by 31 January 2003.

**5 Star energy efficiency standard**
As part of the Victorian Greenhouse Strategy, the Building Commission, in partnership with the Sustainable Energy Authority (Victoria), delivered a policy which will see the future introduction of a 5 Star efficiency energy standard for all new homes.

**Owner builders**
To protect genuine owner builders and ensure the safety of the community, the Commission developed a policy to redefine the term ‘owner builder’, and to limit the activities of self-styled owner builders who do not fit the new definition.

**Partnering program with Local Government**
A partnering program with Local Government was implemented, to promote information exchange and a greater understanding of building industry issues across Victoria, in particular in the area of building control.
2001/2002 was an outstanding year for the Victorian building industry and the Building Commission. It was a year of building a better future together through partnering opportunities. Our results reflect our strategy of developing deeper relationships with stakeholders, taking a leadership position on issues that affect the building industry, and focusing on our core regulatory responsibilities.

Performance
Building approvals in Victoria in the 2001/2002 financial year jumped 29% to a record $13.1 billion. During the year, Victoria experienced a series of billion-dollar months, an unusual event until the start of 2001. In fact over the past year we experienced 8 billion-dollar months in Victoria including a record $1.45 billion in August last year when several major projects were approved.

I am pleased to report a strong performance for the Building Commission in 2001/2002. We commenced implementation of our new Corporate Plan objectives announced during the year, and implemented wide ranging projects that will further enhance performance into the future. The request to present at the New South Wales Parliamentary Inquiry into Building Quality reflects the esteem in which Victoria’s building control system is held around Australia. In addition, the record levels of building activity drove a sound financial performance for the Commission.

Achievements in Partnering
Traditionally, the Commission’s strategy has focused on its responsibility as an industry regulator. Now our future is based as much on providing leadership direction as it is about developing strategies for better building control.

This was evident in the Commission’s response to the issues of builders warranty insurance and professional indemnity insurance. Together, these could have threatened the future of our building industry. We worked with stakeholders to develop a strategic response to the builders warranty insurance issue which has kept insurance available to builders. We are also acting as a facilitator to find solutions to the professional indemnity insurance problem and keep the product available in the market.
Complementing the changes to builders warranty insurance was the establishment of Victoria’s new building industry dispute resolution service – Building Advice and Conciliation Victoria. The new service, which also focuses on dispute reduction, was developed jointly by the Commission in partnership with Consumer Affairs Victoria. Consumers and builders are now able to access a single point of entry for information and advice on domestic building issues, with builders required to fix defective work.

Better building control involves identifying opportunities for improved regulation. The new security of payment legislation to be implemented in 2003 will help us achieve this goal. For the first time in Victoria, tens of thousands of small contractors will be protected from the risk of non payment. Coming into force in early 2003, small contractors will no longer have to shoulder the burden of bad debts.

A 5 Star energy efficiency standard for all new homes is another exciting development for the Victorian building industry. The new standard will deliver real Triple Bottom Line benefits to all Victorians – greenhouse gas reduction, economic and jobs growth, and more comfortable homes with lower running costs.

A further example of better building control was the development of a policy position on owner builders. The Commission’s policy on owner builders considers the need to protect genuine owner builders and ensure the safety of the community, while ensuring that builders are registered and follow due process. The consultation undertaken during the year is expected to deliver positive outcomes for both genuine owner builders and the building industry.

A partnering program with Local Government was implemented to promote information exchange and a greater understanding of building industry issues across Victoria.

Challenge
Our greatest challenge this financial year has been insurance – both builders warranty insurance and professional indemnity insurance. The collapse of insurers in 2000/2001, the events of September 11, and current issues surrounding public liability claims have led to dramatic changes to the insurance market in Australia and the world.

On the positive side, the Commission has built on its strengths, providing value to stakeholders by responding quickly to issues, taking a proactive stance where required, and providing timely and clear communication to the 17,000 registered building practitioners across Victoria.

Thank you
A number of the members of the Commission’s four statutory bodies completed their terms during the year. I would like to thank them all for their valuable contribution and welcome our new statutory body members.

We wouldn’t be where we are today without the commitment and dedication of the Commission’s employees. The group of people we have working for us have shouldered extra work when required, taken a long-term view and welcomed our new direction. The Building Commission’s shortlisting for the inaugural Premier’s Award for ‘Partnerships at Work’ is testament to the passion and commitment of all Commission employees. Congratulations to all.

The future
The year ahead will be another challenging and fulfilling one for the Building Commission. Last year we committed to strengthening our leadership and core building control responsibilities and we made excellent progress. We are now moving forward to build on our successes and implement new programs that will benefit the state’s building industry.
“At Federation Square, it was incredibly important to work closely with all building participants to achieve a quality outcome.”

Tony Hodder, Senior Project Manager, Multiplex Construction (at right) with Reno Lia, Electrician – ETU Shop Steward, Elecraft.
The Building Commission and four statutory bodies oversee the administration of Victoria’s building legislation.

The Commission is the regulator of the Victorian building industry and provides whole of Government building advice to the Minister for Planning. It also provides a range of services to Victorian building practitioners and consumers in order to improve the quality of buildings, increase customer satisfaction with building services and raise the profile of the industry.

The Commission was established in 1994 and has played a key role in the reform of building control in Victoria, initiated with the new Building Act 1993. The Act introduced major changes in responsibilities, structure and financing in support of building control. In particular, it introduced building permit approvals by private building surveyors for the first time in Australia. The Act also introduced compulsory registration and insurance for builders and certain other categories of building practitioners. The registration process established minimum standards for practitioner skills and experience.

The organisation comprises the Building Commission and four associated statutory bodies:
- The Building Advisory Council;
- The Building Appeals Board;
- The Building Practitioners Board; and
- The Building Regulations Advisory Committee.

**Functions**

The Commission’s functions are to:
- Review the administration and efficiency of the Building Act 1993 and the Building Regulations 1994;
- Advise the Minister for Planning;
- Seek the views of the building industry and other interested groups;
- Promote better building standards both nationally and internationally;
- Liaise with organisations established to promote national building standards;
- Conduct or promote research into matters relating to regulation;
- Monitor the system of levy collection; and
- Provide information and training to enable building industry practitioners to carry out their functions in accordance with the Building Act 1993.

**Structure**

The Commission is located in Melbourne and has regional offices in Wangaratta and Sale. The Commission is organised into seven divisions and employs 81 people.

**Key customers and stakeholders**

The Building Commission has a broad range of stakeholders comprising:
- The Minister for Planning and the State Government;
- Building industry practitioners;
- Building consumers;
- Industry bodies;
- Local Government; and
- Commonwealth Government.

The Commission’s building industry stakeholder groups include:
- Australian Building Codes Board (ABCB);
- Australian Institute of Building (AIB);
- Australian Institute of Building Surveyors (AIBS);
- Building Designers Association of Victoria (BDAV);
- Housing Industry Association (HIA);
- Institution of Engineers, Australia (IEAust);
- Local Government Professionals (LGPro);
- Master Builders Association of Victoria (MBAV);
- Municipal Association of Victoria (MAV);
- Plumbing Industry Commission (PIC);
- Property Council of Australia (PCA);
- Royal Australian Institute of Architects (RAIA);
- Victorian Local Governance Association; and the Victorian Municipal Building Surveyors Group Inc (VMBSG).
The Building Commission is committed to:

■ Taking a stronger leadership role in building activities in Victoria; and
■ Driving better building control across the state.

Stronger leadership role in building activities in Victoria

Key achievements

■ Played a critical role in reshaping builders warranty insurance and addressing professional indemnity insurance issues for the benefit of the building industry. (p12, 23)
■ In partnership with Consumer Affairs Victoria established ‘Building Advice and Conciliation Victoria’. (p12, 23)
■ Implemented a partnering program with Local Government to promote information exchange and a greater understanding of building industry issues across Victoria. (p12)
■ As part of the Victorian Government’s policy response to managing the risk of Legionnaires’ disease, the Commission registered all Victorian cooling towers, facilitated ongoing meetings of the Cooling Tower Advisory Group, and implemented a communications program. (p13, 26)
■ Established the Accessible Built Environment Working Group to receive information and advice on methods of improving access to the built environment for the whole community. (p14)
■ Worked with the East Timorese Transitional Administration to develop a building control system for East Timor. (p16)

Future directions

■ Facilitate the development of long-term solutions for insurance in the building industry. (p12, 23)
■ Implement the Informed Consumer strategy. (p12)
■ New website for the Building Commission. (p33)
■ Measure building industry performance through the implementation of the Industry Outcomes Measurement strategy. (p12)

Driving better building control across the state

Key achievements

■ The development of security of payment legislation, which ensures fair and timely payment of contractors and subcontractors to the building industry. (p23)
■ A future 5 Star energy efficiency standard for all new homes announced in 2002. (p16, 22)
■ Developed a policy on owner builders, proposing that the term ‘owner builder’ be redefined, and that the activities of self-styled owner builders who do not fit the new definition be limited. (p23)
■ Commenced work on the Municipal Building Control Plan. (p21)
■ Introduced more stringent controls to swimming pool and spa barrier legislation. (p26)

Future directions

■ With industry, determine the implementation of the new 5 star energy standard. (p16, 22)
■ Establish processes to support the security of payment legislation as it comes into force. (p23)
■ Implement Continuing Professional Development for registered building practitioners. (p19)
■ Encourage greater adoption of leading-edge information technology and telecommunications. (p19)
■ Introduce a regulatory impact statement on owner building, drawing on the findings of and responses to the policy proposal. (p23)
■ Provide greater building control and related information to registered building practitioners and building consumers. (p12)
■ Facilitate a Victorian research and development program focused on the needs of the industry, with an annual research publication summarising the outcomes. (p27)
The result achieved represents the highest building permit levy collections in the Commission’s eight year history. Consumer support for the Federal Government’s First Home Owners Grant had a significant positive impact on the domestic building sector in 2001/2002. A Treasurer’s Advance of $2.1 million was received on 28 June 2002 from the Department of Treasury and Finance to assist the Building Commission with the establishment of Building Advice and Conciliation Victoria functions during the 2002/2003 financial year under the Domestic Buildings Contracts (Conciliation and Dispute Resolution) Act 2002. The Act became effective on 1 July 2002. The receipt of the Treasurer’s Advance is clearly reflected in the Commission’s total operating revenue, cash/investment position, total assets and working capital surplus as at 30 June 2002.

2001/2002 levels of building activity are likely to be unsustainable into the future, and the Commission may face lower levels of building activity in 2002/2003 as activity eases to more normal levels.

The operations of the Building Commission and its associated statutory bodies are funded from the Building Administration Fund (section 200 of the Building Act 1993). The Commission is a self-funded body corporate and derives no funding from State Government appropriation. The Building Administration Fund has two major revenue sources, the Building Permit Levy and Building Practitioner Registration Fees. It is also funded by Cooling Tower Registrations, fees for Modifications and Appeals, and fines from Prosecutions.

The financial management of the Commission operates under a Building Advisory Council ratified reserves policy, which ensures the Commission retains sufficient reserves to withstand a significant downturn in the building industry.

For the financial year ending 30 June 2002, the Building Commission’s operating revenue increased by $4.3 million from 2000/2001. This was partly the result of an increase in building permit levy receipts of $2.0 million reflecting a significant increase in building activity in Victoria, primarily from the domestic and commercial building sectors.

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Building activity in Victoria

Building approvals in Victoria in the 2001/2002 financial year jumped 29% to a record $13.1 billion. These figures came off a record $10.2 billion worth of building activity in the previous year.

Building Commission figures indicate that the biggest impact was in domestic building with $7.9 billion worth of building work approved in the 12 months to 30 June 2002 compared to $5.3 billion in the previous year, an increase of 49%. Growth in building activity was fuelled by low interest rates, the First Home Owners Grant, a sound economic climate and migration to Victoria.

The year saw a series of billion-dollar months, which were quite unusual until the start of 2001. Over 2001/2002 there were eight billion-dollar months including a record $1.45 billion in August last year when several major projects were approved.

Regional Victoria shared in the boom, accounting for one-fifth of all construction activity totalling $2.7 billion. 40% of all building activity was in Inner Melbourne, 39% in Outer Melbourne, and 20% in Rural Victoria. The City of Greater Geelong was the most active rural municipality with building activity up 43% to $449 million.

Building Commission figures for Victoria’s municipalities overall show that the value of building work in the City of Wyndham, which includes suburbs such as Hoppers Crossing and Werribee, grew 106% in the year to just over $600 million. The City of Wyndham was not the only municipality to benefit from growth in building activity. The value of building work in the City of Casey, which includes the suburbs of Cranbourne, Pakenham and Berwick, grew 28% to $677 million to be ranked second behind the City of Melbourne which topped $1.79 billion, up 15%.

To make the table of top 10 municipalities in Victoria in 2001/2002 required $389 million of building approvals. In the previous year it took $292 million. The City of Melbourne was still number one, growing 15% to reach $1.79 billion, up 15%.

Australian Bureau of Statistics figures show the value of building approvals in Victoria comprised 32% of Australia’s 2001/2002 total – the highest in the country. This compares with Victoria’s 25% share of the Australian population.
“At Docklands, building strong relationships with other industry participants is critical in achieving the excellent product we have.”

Robert Rafaniello, Project Manager, MAB Corporation Pty. Ltd. (at right) with Bill Alexandrakis, Project Manager, Bovis Lend Lease Pty. Ltd.
The Building Commission embarked on an ambitious path to define its strategic direction for the new millennium.

The 2002/2006 Corporate Plan articulates strategies focused on providing stronger leadership for the building industry and developing better building control. The following section reports against the Plan’s strategies other than ‘Industry Outcomes Measurement’ and ‘Informed Consumers’ which will commence next financial year.

The Plan articulates a shared vision arising out of an extensive analysis and consultation process with industry stakeholders including Commission employees, the four statutory bodies, State and Local Government and the private sector.

Partnering and Issues Leadership
This strategy entails establishing a comprehensive, carefully managed partnering program with key stakeholder groups. It provides a commitment to identify and address major building issues in concert with industry bodies and government.

Objective
Bring together and provide leadership to all stakeholders in Victorian building.

Achievements
Local Government program
The Local Government partnering program aims to create powerful links between the Building Commission and Local Government. As part of this program, six regions were visited by the Commissioner to present and discuss local issues, building activity, the Commission’s new agenda, projects and Local Government issues.

The Local Government program also engaged with 15 municipalities to seek constructive feedback on the implementation of ResCode, the new building regulations for siting and design of housing. This project is now being extended to include other municipalities.

Insurance
The collapse of insurers in 2000/2001, the events of September 11, and issues surrounding public liability claims led to dramatic changes in the insurance market during 2001/2002.

One consequence was the threatened withdrawal of insurers from the builders warranty insurance market, potentially leaving domestic builders and their customers with no insurance cover.

As a result, the mandatory requirements for builders warranty insurance for domestic building work in Victoria had to change. Working in partnership with the Department of Treasury and Finance, the Department of Infrastructure and Consumer Affairs Victoria, the Commission developed a strategic response to builders warranty insurance issues in co-operation with the New South Wales Government. The plan aimed to provide both a stable and sustainable insurance market for builders warranty insurance.

The changes to builders warranty insurance include:

- An increase in the threshold for compulsory builders warranty insurance for domestic building work having insurance from $5,000 to $12,000.
- Insurance for projects over $12,000 to be claimable only in the case of the death, disappearance or insolvency of the builder and to cover:
  - Non-completion and structural defects for six years (previously six and a half years); and
  - Non-structural defects for two years (previously six and a half years).
Complementing the changes to builders warranty insurance was the formation of a new dispute resolution service, Building Advice and Conciliation Victoria (BACV). Developed jointly by the Commission in partnership with Consumer Affairs Victoria, consumers and builders are now able to access a single point of entry for information and advice on domestic building issues. Disputes will be resolved through BACV, with builders now required to fix defective work.

The Commission actively sought the input of industry stakeholders in both formulating and implementing the actions necessary to address the insurance crisis throughout this period.

The outcome of these Commission led initiatives is that builders have been able to continue building, as evidenced by Victoria’s record level of building activity in the period.

Cooling Tower Advisory Group
Following the introduction of the Building (Legionella) Act 2000, the Cooling Tower Advisory Group (CTAG) was formed to provide authoritative advice about the Legionella reforms and, where necessary, to make recommendations on possible options to improve the safety of new and existing cooling tower systems.

A major requirement of the group was to assess the impact on power demands, costs and energy efficiency on the use of air-based systems compared with water-based cooling towers. CTAG provided a status report for the Minister in January 2002, which dealt with the following issues:

- That the efficacy of air based systems in comparison to the water-based cooling towers is a principal issue to be researched; and
- That further research is also being proposed in order to determine how ‘traditional’ water-based cooling towers can be made inherently safer.

CTAG membership includes representatives from the:
- Building Commission;
- Department of Human Services;
- Australian Institute of Refrigeration, Air-conditioning and Heating;
- Australian Institute of Building Surveyors;
- Plumbing Industry Commission;
- Property Council of Australia;
- Air-conditioning and Mechanical Contractors’ Association of Australia Limited;
- Institution of Engineers;
- Insurance Council of Australia;
- Dry Cleaners Association; and the
- Melbourne Aquarium.

All cooling towers are required to be registered by law since 1 September 2001. The Commission is responsible for the registration of cooling towers and developed a sophisticated spatial database to register all cooling towers systems in Victoria. There has been an outstanding response to the campaign for registration of cooling towers held in August 2001. Blitzes by the Department of Human Services have shown very high levels of compliance with 2,600 sites checked for registration and fewer than 20 unregistered cooling towers discovered. Building owners have a public duty to register any cooling towers to help protect the health of the community and must register their cooling tower systems or face fines of up to $12,000.
“Building Advice and Conciliation Victoria is a real partnership between the Commission and Consumer Affairs Victoria. For us, the strong relationships we’ve forged will be the key to our success.”

Robin Haliburton (at left) and Ellie Hanna, Case Coordinators, Building Commission with Ken Hutton, Team Leader, Consumer Affairs Victoria.

Accessibility in the built environment
The Accessible Built Environment Working Group (ABEWG) was established as a forum through which the Commission could receive information and advice on methods of improving access to the built environment for the whole community. One of the key initiatives the ABEWG has identified is the need to evaluate the possibility of introducing housing accessibility standards within the Victorian building regulations.

Nationally, the Building Access Policy Committee is drafting a Disability Standard for Access to Premises. The Building Commission is playing an active role in drafting these documents.

Portfolio support
Employees from across the Building Commission provided advice to the Minister for Planning, Members of Parliament and Government stakeholders on a range of issues including the development of proposals for new or amended primary and subordinate legislation.

Land Exchange
The Building Commission is a member of a State Government Interdepartmental Committee (IDC) to develop a government-private sector partnership known as the Land Exchange. In 2001/2002 the IDC received funding approval for $24 million over two years, for the Land Exchange.

The purpose is to establish a commercial on-line marketplace for land and property information and transactions. In the next year the Land Exchange will allow customers to access the existing State and Local Government data silos in a unified, integrated and coordinated manner.

Interstate initiatives
New South Wales inquiry
The Building Commission was asked to appear before the New South Wales (NSW) Parliamentary Inquiry into building quality. The Commission provided the Committee with an overview of the Victorian building control system and a comparative study to the existing NSW system.
The Committee members showed great interest in Victoria’s system and some of the key features of Victoria’s system formed part of the Committee’s main recommendations to the NSW Parliament.

Royal Commission into the building and construction industry
The Federal Government announced the establishment of a Royal Commission into the building and construction industry in July 2001.

The Department of Premier and Cabinet are coordinating the Victorian Government’s representation and approach to the Royal Commission. The Commission is a member of the ‘Royal Commission into the Building and Construction Industry – Victorian Government Steering Committee’.

Australian Building Codes Board
Through its representation on the Australian Building Codes Board (ABCB), and also the ABCB’s Building Codes Committee, the Commission has provided detailed input into two amendments to the Building Code of Australia (BCA).

Amendment 10
- Clarified that windows must comply with AS2047 for resistance to water penetration, subject to certain conditions;
- Allowed a non-fire-isolated stairway to connect an additional storey;
- Updated signage requirements for people with disabilities;
- Updated requirements for protective coatings for steelwork in locations near salt water;
- Extended concessions for fire separation of windows in non-habitable rooms of houses; and
- Replaced testing requirements for timber to be used in houses in bushfire-prone areas.

Amendment 11
- Updated references to standards called up in the BCA and in addition to a number of minor technical issues;
- Transferred public policy matters with respect to structural adequacy, from the AS1170 series to the BCA;
- Updated the provisions for residential buildings used for the accommodation of the aged to align with the Commonwealth Aged Care Act; and
- Introduced more detailed provisions for the installation of flashings and damp-proof courses in houses.

The Commission was involved in providing input into the Guide to the BCA as well as numerous standards that were amended or rewritten for adoption in the BCA. The Commission also reviewed and commented upon a number of ABCB Discussion Papers and Regulatory Impact Statements.

ABCB Committees that the Commission was actively involved with throughout the year include:
- Aged Care Facilities Working Party;
- Australian Building Codes Board;
- Australian Certification Committee;
- Building Access Policy Committee;
- Building Access Technical Working Group;
- Building Codes Committee;
- Code Review Committee for the Future Building Code;
- Energy efficiency Steering Committee and sub-committees;
- Maintenance of Essential Safety Measures Committee;
- National Accreditation of Building Certifiers Committee;
- National Administrative Framework Steering Committee; and
International initiatives

East Timor
In early April 2001 the United Nations selected the Building Commission to work with the East Timorese Transitional Administration (ETTA) to develop a building control system for East Timor.

The Premier of Victoria, the Commissioner, and a representative of the ETTA signed a Memorandum of Understanding. Subsequently, in May 2001 the Commission sent two people to Dili to commence work on the project, which began with the preparation of draft regulations and a draft Building Code for East Timor.

Since East Timor’s independence, major progress has been made to finalise a set of controls that are not only best practice, but that can be readily understood and applied by the local building practitioners.

Hong Kong
The Building Commission as part of a consortium with Ove Arup & Partners was successful in its bid for a consultancy to prepare performance-based fire safety regulations for buildings in Hong Kong. The project is about to commence and will continue for approximately 18 months.

Future directions
- The Local Government program will be further implemented throughout the next financial year.
- The Building Commission will continue to facilitate resolutions to insurance issues in partnership with industry and Government.
- International initiatives such as the East Timor project will be completed.
- The Commission will continue to work with the ABCB to review regulations.
- Further work on the issue of accessibility will follow.

Building sustainability

While the Commission has addressed energy efficiency in the past, this strategy brings a broader perspective and higher priority to overall building sustainability. The Commission will position itself to provide coordination and expertise.

Objective
Develop and implement sustainability initiatives targeting building design, construction and use.

Achievements

5 Star energy efficiency standard for all new homes
A major accomplishment in 2002 was the Victorian Government’s announcement of a new 5 Star minimum energy efficiency standard for residential buildings, using a rating system similar to that successfully used for domestic appliances.

The economic, social and environmental benefits of pursuing a more energy efficient housing design are considerable. The new standard will introduce a new level of innovative and creative housing design, resulting in higher quality, more comfortable, affordable and energy efficient housing for all Victorians.

In its first year, this 5 Star energy efficiency standard is expected to reduce energy demand for heating and cooling of new dwellings by 50% compared with current designs. Within five years this will lead to a reduction in annual greenhouse gas emissions exceeding 200,000 tonnes of CO₂ – equivalent to taking 50,000 cars off the road – and these savings will grow by almost 40,000 tonnes of CO₂ each year.
The new building energy efficiency standard will provide homebuyers with significant savings on their energy bills. Owners of new 5 Star homes will save more than $200 on their yearly gas and electricity bills. These savings offset any impact on mortgage payments of improvements needed to achieve a 5 Star rating.

One of the most important findings of the economic studies initiated by the Commission and the Sustainable Energy Authority (Victoria) (SEAV) in support of the Government’s decision to introduce the standard, relates to the positive effect this change will have on the whole Victorian economy. Our studies forecast a boost of up to $570 million to the state’s economy, coupled with the potential to create 1,100 new jobs over a 20 year period. These economic gains will be of particular benefit to the building industry right across the state. The regulatory approach being taken uses a performance rating system so that designers and builders can minimise costs while maximising the benefits of compliance.

Future directions

- Development and implementation of the new standard in collaboration with SEAV and Victoria’s building industry.

Continuous practitioner improvement

There is scope for continuous improvement in the skills and performance of practitioners in the building industry. Among other initiatives, the Commission will use the power of branding to influence practitioners’ competencies and conduct. It will promote professional development and strengthen its enforcement role against non-complying industry participants.

Objective

Practitioner improvement through market forces, professional development and improved compliance.

Achievements

Building practitioner management

There were 17,179 registered building practitioners at 30 June 2002. Under the Building Act 1993, a person who is defined as a building practitioner must be registered with the Building Practitioners Board with some exemptions. Over the year, we had 1,111 new registrants.

New registrations for the 2001/2002 year

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<td>Draftsperson</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,111</strong></td>
</tr>
</tbody>
</table>
The Building Practitioners Board undertook 24 inquiries into the conduct or ability to practice of registered building practitioners in 2001/2002. This represented a decrease of 14 compared to the previous year.

The number of prosecutions undertaken by the Building Commission rose slightly compared to the previous year from 24 to 26. In addition, the level of fines imposed more than doubled over 2001/2002. This reflects the comments in last year’s Annual Report that longer and more complex investigations would be undertaken to ensure that the more serious breaches of the act/regulations were targeted. The expected result, which was achieved, is that harsher penalties have been imposed due to the more serious nature of the prosecutions undertaken.

The number of complaints rose by one-third, resulting in an increase in the number of current investigations under way.

Five major targeted performance audits of individual practitioners were conducted during 2001/2002. Three additional random audits were conducted on individual practitioners.

As a domestic builder I make it my business to work closely with my client to make sure we achieve a high quality product.”

Christian Burnside, Burnside Builders (at left) with Darren Stevenson, Cabinetmaker, Hi-Style Cabinets.

The Building Practitioners Board inquiries

<table>
<thead>
<tr>
<th>1999/00</th>
<th>2000/01</th>
<th>2001/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total inquiries held</td>
<td>55</td>
<td>38</td>
</tr>
<tr>
<td>Case proven</td>
<td>52</td>
<td>38</td>
</tr>
<tr>
<td>Reprimand</td>
<td>43</td>
<td>36</td>
</tr>
<tr>
<td>Fine</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>Condition placed on registration</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Registration suspended</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Registration cancelled</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Prosecutions and complaints

<table>
<thead>
<tr>
<th>1999/00</th>
<th>2000/01</th>
<th>2001/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total complaints</td>
<td>375</td>
<td>318</td>
</tr>
<tr>
<td>Complaint Sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Surveyor (incl councils)</td>
<td>60</td>
<td>44</td>
</tr>
<tr>
<td>Owner</td>
<td>130</td>
<td>140</td>
</tr>
<tr>
<td>Adjoining owner</td>
<td>65</td>
<td>32</td>
</tr>
<tr>
<td>Commission/BPB</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>Other practitioners</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Other</td>
<td>61</td>
<td>46</td>
</tr>
<tr>
<td>Investigation Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dismissed or noted</td>
<td>110</td>
<td>56</td>
</tr>
<tr>
<td>Referred BPB for Inquiry</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>Prosecution</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td>Direction by the Commission</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Referred to other agency</td>
<td>120</td>
<td>121</td>
</tr>
<tr>
<td>Current Investigations</td>
<td>109</td>
<td>74</td>
</tr>
<tr>
<td>Completed, awaiting decision</td>
<td>NA</td>
<td>43</td>
</tr>
<tr>
<td>Total Fines</td>
<td>$157,900</td>
<td>$55,100</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$101,032</td>
<td>$68,747</td>
</tr>
</tbody>
</table>
Continuing Professional Development
The Building Commission and the Building Practitioners Board are developing a Continuing Professional Development (CPD) program with a view to implementing a model for all registered building practitioners.

The CPD program will be a practical and valuable enhancement to registration, with benefits for both practitioners and consumers. The Commission is developing the proposed model in conjunction with industry. In the reporting period, a questionnaire was designed to seek feedback on the issue. The results are currently being assessed.

Adoption of leading edge Information Technology in the building industry
Promoting the use of Information Technology (IT) in the building industry is a high priority for the Commission due to its strong positive effect on industry efficiency. The Commission is contributing to a number of leading edge IT projects for the building industry.

Digital River
Digital River is a joint initiative between the State Government, not-for-profit and commercial organisations aimed at accelerating the uptake of broadband/high speed Internet services among small to medium-sized businesses in Victoria.

Future directions include the launch of two major projects associated with Digital River:
- The ‘Digital Building Telecommunications Access Guideline’ which provides information and general guidance to building owners/managers. It consists mainly of technical and regulatory information and is available on CD-ROM.
- An information centre at Level 8, Casselden Place, 2 Lonsdale Street, Melbourne called the ‘Digital River Broadband Technology Suite’. This is a public access facility where people can learn about broadband services applications and see these demonstrated first-hand.

Buildsmart
Buildsmart involves the development of training courses to provide practitioners, who may not even know how to turn on a computer, the confidence and skills to utilise IT, while educating them of the benefits of IT to their business.

The Commission and the IT Skills Hub have jointly funded the program. The Master Builders Association of Victoria and the Housing Industry Association will be piloting the program to their members in the second half of 2002.

BSITE & CITE
The Commission formed partnerships within the building and IT industries to develop the building industry specific Internet applications BSITE and CITE.

In partnership with the Construction Innovation Cooperative Research Centre, Commonwealth Scientific and Industrial Research Organisation (CSIRO), Bovis Lend Lease, Queensland University of Technology and eServ Global, the Commission is supporting BSITE Ltd’s Mobilising Construction Project. The project focuses on the development of wireless software for the construction industry in the areas of project collaboration and information management. A launch of BSITE is anticipated in the first half of 2003.

CITE will provide users with access to functionality and software applications related to tendering, document management, project management and business applications. The Commission is a consultative member of the CITE Industry Advisory Board which is made up of 11 industry stakeholders including 10 major construction companies. CITE is expected to be functional in 2003.

Future directions
- Prosecution and inquiry program will continue.
- The Commission will launch a discussion paper on Continuing Professional Development for registered building practitioners during the next financial year.
- Development of a demonstration home in the City of Melbourne which will showcase best practice in the areas of smart technology in the home, in partnership with the City of Melbourne.
Four recommendations emerged from the research findings:

- Implement an awareness strategy to ensure building surveying is on the list of those considering a career in the building industry.
- Descriptions of building surveying courses need to clearly state the main attractions of building surveying. These include a fascination with buildings and an ability to see tangible results from day to day work. Other positive factors include flexible work schedules, the variety of work and the importance of the role in ensuring public safety.
- Address the perceptions of unreasonable legal liabilities and the barriers of the eight year qualification period.
- Review the content of building surveying courses in order to:
  - Cater for the expanding roles that building surveyors can fill in the industry;
  - Make them more relevant to the industry’s future;
  - Support postgraduate courses for graduates from building related faculties to enter building surveying; and
  - Cater for a new national accreditation standard for building surveyors.

Renewal of building quality assurance

The Building Commission is committed to ensuring the basic technical quality of Victoria’s building products and services. Our initiatives include improving the supply of building surveyors, developing a national accreditation framework for building surveyors in conjunction with the Australian Building Codes Board (ABCB) and working with the Victorian Municipal Building Surveyors Group Inc to develop the Municipal Building Control Plan.

Objective

A renewal of Victorian building surveying and building quality assurance overall.

Achievements

Supply of building surveyors

The Building Commission has commenced work on the issue of attracting qualified entrants to the building surveying marketplace. During the reporting period we conducted research, which indicates there are a number of reasons for the shortage of young building surveyors entering the market. The survey methodology included researching high school students, students studying building surveying and recent graduates.

Currently, it takes eight years to become a registered building surveyor, creating a high barrier for entry into the profession. Potential market entrants need a tertiary qualification and four years of experience before they can register as building surveyors. In addition, there is a perception that building surveyors have a narrow regulatory focus and limited career options.

National accreditation system for building surveyors

The Building Commission is contributing to the Australian Building Codes Board (ABCB) revision of the accreditation system for building surveyors. There are currently nine accreditation or registration systems across Australia, with each state having a different system and some with two systems. Building surveyors moving between states need to re-register in each state. The Commission supported the new accreditation framework developed by the ABCB. It will introduce a two-tiered system for building surveying qualifications and practice that will enable many building surveyors to operate on a restricted basis.

Qualification at the first level will mean that the building surveyor is unrestricted, similar to the current situation in Victoria. This will require a bachelor’s degree in building surveying and relevant experience, requiring a total qualification package that will take about eight years.
The second level, which will enable a building surveyor to undertake work on all buildings up to three storeys and 2,000 square metres, will require an advanced diploma and experience requiring a total qualification package that will take six years. Buildings of this nature constitute about 80% of the market.

The Commission is now working with the Building Practitioners Board, the ABCB, the education sector and the Australian Institute of Building Surveyors to schedule the introduction of this system into Victoria.

**Municipal Building Control Plan**

During the reporting period the Commission, in partnership with the Victorian Municipal Building Surveyors Group Inc, developed the Municipal Building Control Plan project.

The project will deliver a high-level management tool for Councils’ building control function. It will promote a better understanding of the role of building surveyors for Council management and its employees. Once in place, the plan will create consistency in building surveyor practices across Victoria.

**Future directions**

- Further development of the building surveying project into the future.
- The ABCB national accreditation system will be implemented.
- The brief for the development of the Municipal Building Control Plan was finalised in mid 2002. It is expected that the Plan will be launched in mid 2003.
Building knowledge management

Victoria’s building industry relies on the Commission for the development, communication and adoption of a core set of rules and guidelines. This strategy establishes an explicit knowledge management approach. The Commission will also focus on being a proactive facilitator in promoting building research and development and innovation.

Objective

Facilitate the development, communication and adoption of building knowledge.

Achievements

**Business Process and Data Modelling**

The Business Process and Data Modelling project was undertaken in partnership with the Department of Infrastructure and the Municipal Association of Victoria. It built on similar work undertaken in the areas of planning and subdivision to develop an understanding of the approval process. A clear and consistent interpretation and application of the processes associated with building legislation was developed. This was confirmed through business process workshops including representative municipal and private building surveyors, software providers and peak bodies, followed by a due diligence process. The project offers the opportunity to improve customer service through joined-up information flows and new electronic service capabilities.

**Major communications programs**

**5 Star energy efficiency standard for all new homes**

Following the announcement of the 5 Star energy efficiency standard, a three-month consultation period on the policy will follow, together with the release of a Regulatory Information Bulletin (RIB). The RIB will provide the focus for feedback from the building industry and community before the Government drafts its regulations. Importantly, the consultation period is a chance for the Government and the building industry to work together on the implementation of the standard.

**Sprinkler systems in residential care buildings**

By 1 August 2002 owners of Victorian residential care buildings constructed prior to 1 August 1997 had to comply with regulation 5.15 of the *Building Regulations 1994*. The regulations require that all residential care buildings must be fitted with a residential type fire sprinkler system that complies with AS 2118.4 – 1995 Automatic Fire Sprinkler Systems – Residential.

The Commission implemented a communication campaign using direct marketing and seminars to 12,000 building owners and/or proprietors of residential care buildings to ensure they understood their responsibilities under the regulations.
New Security of Payment legislation

Unscrupulous payment deals costing the building and construction industry millions of dollars will be banned under new laws.

The new Building and Construction Industry Security of Payment legislation ensures greater certainty of payment for building contractors and subcontractors, many of whom do not have the operating margins to allow them to shoulder the burden of bad debts.

The new legislation, which received considerable media coverage, will:

- Ban ‘paid if’ and ‘paid when’ clauses in contracts;
- Allow a contractor to suspend work in the event of non payment;
- Make periodic payments conform to monthly instalments; and
- Establish a periodic payment dispute resolution process.

The Building and Construction Industry Security of Payment Act 2002 received the Royal Assent on 14 May 2002 and is due to come into effect on 31 January 2003. The Act implements the legislative recommendations of the Security of Payment Taskforce chaired by Tony Robinson MP.

Owner builder policy position


The Commission’s policy position paves the way for better protection of owner builders themselves, future consumers of owner built houses and improved building standards. The policy was developed by the Commission following industry concerns about the increase in the number of builders and developers working under the guise of owner builders.

Fifty-two submissions were received during the consultation period from a range of stakeholder groups. The Commission also hosted a stakeholder workshop comprising representatives from industry, owner builders and government to provide input into the draft recommendations.

This valuable input and wide community consultation will contribute significantly to the development of the final strategy and result in comprehensive recommendations that balance the needs of genuine owner builders with consumer protection. The Commission and Consumer Affairs Victoria are currently examining the various submissions and proposals received on the discussion paper.

Insurance

The collapse of insurers and current issues surrounding public liability claims led to extensive communication with stakeholders, in particular registered building practitioners throughout the year.

This involved articles in trade publications, newsletters, the Building Commission’s Inform, direct marketing to 17,000 registered building practitioners, a roadshow throughout Victoria, and additional forums and seminars for the industry.

The tactics conveyed the message that the mandatory requirements for builders warranty insurance have changed and to complement these changes, Consumer Affairs and the Building Commission have established Building Advice and Conciliation Victoria, a dispute resolution service for consumers and builders.
“By discussing our environmental objectives closely with the designers and builders, we’re creating a water and energy efficient building.”

Mark Wootton, Director, Green Building Partnership (at right) with Michael Krockenberger, Strategies Director, Australian Conservation Foundation.
Swimming pool and spa safety barrier laws for private homes

On 21 December 2001 new regulations came into force introducing increased fines and stricter rules over maintaining pool barriers and gates. They included:

- An increase of the maximum fine for failing to adhere to the regulations from $1,000 to $5,000.
- All swimming pools and spas capable of containing a depth of water exceeding 300mm must have a childproof safety barrier.
- Childproof safety barriers must be completed within six months of building work starting on spas and pools.
- Any pool or spa fence, barrier, gate or door must be maintained in good working order.
- All gates and doors providing access to a pool or a spa must have self-closing and self-latching devices – even those built before laws were introduced in 1991 to make barriers compulsory.
- For pools and spas built before 8 April 1991, a six-month grace period to 21 June 2002 is provided for pool-owners to install self-closing devices.
- It is now an offence to prop open any gate or door providing access to a pool or spa.

A communication campaign was implemented to advise pool owners and Local Government of these changes. Communications included Local Government briefing sessions, targeted distribution of the new brochure, advertisements placed in regional media, and support from the Play it Safe by the Water television campaign. The Commission was also a participant in the Swimming Pool Working Party along with other water safety agencies and government bodies.

Legionella – cooling tower registration

The Building Commission, in partnership with the Department of Human Services and the Plumbing Industry Commission, implemented a comprehensive communications strategy informing building owners of the requirement to register cooling towers. This involved extensive public relations activities including a mass media television campaign, seminars for owners of cooling towers, direct marketing, advertising and articles in trade publications.

The initial registration phase of the project was completed and a very high level of compliance was achieved. In addition, renewal of registrations progressed ahead of schedule. For more information on the results of this communication, see the Cooling Towers section of the Annual Report.

Building activity

The Commission is committed to making information on trends in Victoria’s building industry widely available, contributing to an open and transparent industry.

The Commission processes building data obtained from the monthly returns lodged by registered building surveyors when building permits are issued. In the reporting period, monthly media releases were issued, followed by the release of the monthly Building Activity Profile. Building Victoria 2001, the Commission’s calendar year publication was launched in 2002.

Major publications

The Building Commission produces a number of publications relating to Victoria’s building industry. In addition, brochures and information sheets are developed on major issues and to communicate legislative change. Many of our publications can be accessed via the website: www.buildingcommission.com.au.

- Swimming Pool & Spa Safety Barrier Laws for Private Homes brochure.
- Cooling Tower brochure and form.

Legislative framework

The Commission met its obligations in respect of the building and maintenance provisions of the Building Act 1993 and the National Competition Policy.

ResCode, the new siting and design rules for housing came into effect in the financial year. The ResCode siting provisions relating to single dwellings are contained in the Building Regulations 1994 and are the responsibility of the Building Commission. The new regulations provide a comprehensive code for residential development and represent a significant improvement to the previous codes by providing protection for amenity, neighbourhood character and sustainable development for all towns and suburbs across Victoria.

During the past 12 month period the Commission has been involved in the preparation of the:

- Building (Amendment) Act 2001;
- Building and Construction Industry Security of Payment Act 2002;
- Domestic Building Contracts (Conciliation and Dispute Resolution) Act 2002; and the
- Building (Amendment) Regulations 2002.

It also made comment and contributed to the preparation of the House Contracts Guarantee (HIH Further Amendment) Act 2002. In addition the Commission is participating in the review of Victoria's architects' legislation.

Subordinate legislative amendments in the period included:

- Building (Single Dwellings) (Interim) Regulations 2001;
- Building (Single Dwellings) Regulations 2001;
- Building (Swimming Pool Fences) Regulations 2001;
- Building (Legionella Risk Management) (Amendment) Regulations 2002; and the
- Building (Multi-Storey Residential Building Exemption) Regulations 2002.

Research and development

The Building Commission undertook a project in February 2002 to gain information on the research needs of the building industry. The project identified five general areas as most significantly requiring research:

- Energy efficiency;
- Regulatory efficiency and practices;
- Fire safety science and engineering;
- Sustainable development; and
- Materials performance.

During the reporting period, a number of research projects were commenced. These projects are not yet complete:

- Funding a variety of projects for the Cooperative Research Centre including sustainability, sustainable subdivisions, automated code checking, legionella, access to housing, and bushfire controls.
- The RMIT EcoHome project, which investigates barriers to diffusion of sustainable design and construction technologies in the outer suburban housing market.
- Melbourne University research on improving the performance of regional construction firms.
- Further research on cooling tower issues.

The Commission in conjunction with Sport and Recreation Victoria is managing a pilot project for the development of a Pool and Spa Database for Victoria. The project has been made possible by a $150,000 grant from the Government’s $2.2 million ‘Safer and Improved Aquatic Program’ which is funded from the Community Support Fund.

Future directions

- New legislative framework in the areas of fire safety in shared accommodation and essential services provisions.
- Introduction of the security of payment legislation and the 5 Star energy efficiency standard.
- Developing and coordinating a building research and innovation program for Victoria.
- Rollout of the all-new Building Practitioners Manual.
- Introduction of a protocol for all future research and development projects. This involves an annual research publication being published discussing all outcomes for the period.

Development of the following research projects:

- Level of use of performance based codes in practice.
- Efficiency of the building and occupancy permit processes.
- Independence of the building permit process.
Business-like organisation
In order to deliver the successful implementation of its strategies, the Commission will match its resource base, skills and business processes to its new direction.

Objective
Business-like pursuit of resources and a culture matched to strategies.

Achievements
Corporate governance
The Building Commission has structures and processes that ensure we are effective in meeting our objectives, efficient in our operations, accountable for our decisions and compliant with acts and regulations.

Our corporate governance framework enables us to provide the Victorian Government and the community with assurance that we are fulfilling our responsibilities, and meeting community expectations with due diligence and accountability.

Corporate Management Team role
Our Directors report directly to the Commissioner and are responsible for organisationwide projects. The Corporate Management Team consists of the Commissioner, Directors, Manager Legal Services, Manager Organisational Effectiveness, and the Executive Officer.

The Corporate Management Team is responsible for the maintenance of the Commission’s strategic direction and its organisational effectiveness. This year, continuous improvements have refined the focus and function of the Corporate Management Team and the Commission’s senior management structure.

Operations Management Group
Our Managers report directly to the Corporate Management Team and are responsible for communicating and consulting on major projects, and operational management of the Commission. The Operations Management Group consists of all Managers of the Building Commission, along with the Accountant, the Legislation Coordinator, Senior Advisor Sustainability, Senior Liaison Officer Corporate Affairs, and the Practitioner Development Officer.

Major Committees
The Building Commission’s Audit Committee and Legislation Committee are key elements of our governance arrangements. They provide transparency and accountability, and develop policy for consideration by the Corporate Management Team.
Audit Committee and 2002 Internal Audit

The primary purpose of the Commission’s independent Audit Committee is to ensure the observance of corporate governance principles, openness and accountability in decision-making, and operational and funds management.

The major duties and responsibilities of the Audit Committee within its charter are:

1. To review the scope and effectiveness of the internal audit plan and program.
2. Liaise with the external auditor regarding the scope and planning of the audit.
3. Critically analyse and follow up any issues raised in internal or external audit reports relating to risk management, internal control, financial reporting, quality assurance, accountability or governance.
4. Monitor the risk exposure of the Commission and ensure appropriate risk management and information systems are in place.
5. Monitor ethical standards, related party transactions and performance against the Corporate Plan.
6. Review and recommend for adoption, the Commission’s draft annual financial report.

The Audit Committee meets quarterly. All members have attended meetings on a regular basis during 2001/2002 and have remained independent of the Commission during the financial year.

Meetings have included presentations by both the internal and external auditors and reviews of the Commission’s operations, business plan, risk management and quality assurance processes.

Members of the Commission’s Audit Committee are:

- Helen Hewett (Chairperson), Fund Secretary, C+BUS Superannuation Fund
- Mark Anderson, Director, Financial and Business Services, City of Melbourne
- Brian Welch, Executive Director, Master Builders Association of Victoria and Audit Committee representative of the Building Advisory Council

Internal auditors William Buck (Chartered Accountants) completed the Commission’s annual internal audit in June 2002. William Buck reported no significant weaknesses in the internal financial controls of the Commission.

The levels of non-audit services of the Commission’s external auditor, and the Victorian Auditor-General, ensure auditor independence and no conflicts of interest.

Legislation Committee

The Committee’s role is to assist and advise on the development of legislative proposals and review policy underpinning new legislative proposals.

The Committee meets monthly and reports to the Corporate Management Team.

Membership

- Jeff Norton, Director, Policy Services
- Peter Nassau, Director, Building Quality
- Moshe Gilovitz, Director, Compliance and Conciliation
- Director, Practitioner Services (vacant)
- Andrew Lyons, Manager, Legal Services
- Ari Loupatatzis, Executive Officer
- Stephen Harkin, Legislation Coordinator

Ethics

All Commission employees are required to act with the utmost integrity and objectivity. In addition, the Commission requires all key employees to complete a declaration allowing potential conflicts of interest to be identified and managed appropriately.

All members of the four statutory bodies administered by the Commission sign a Declaration of Pecuniary Interest.
“I get great satisfaction from working with others to create buildings that will be used and enjoyed by all Victorians.”

Paul Lange, Site Manager, Hunsen Yunken Pty Ltd (at left) with Alexander Boon, Concrete Reinforcer, BBG Concrete Reinforcements.
**Risk management**

William Buck (Chartered Accountants), the Commission’s internal auditors, prepared a review of the Commission’s business risk exposures during the first quarter of 2001/2002, following a request from the Audit Committee. The Commission used the subsequent report from William Buck to develop a Business Risk Management Policy and an annual Business Risk Management Strategy. The Commission’s Corporate Management Team conducts quarterly reviews of the business risks identified within the Commission’s Business Risk Matrix.

The Commission’s Business Risk Matrix will form the basis for the Commission’s Audit Committee, Internal Auditor and Insurer’s assessment of risk exposure.

**Quality assurance**

The Commission values its Quality Assurance accreditation under AS/NZS ISO 9000. To ensure quality outcomes for stakeholders, the Commission maintained its quality controlled processes and procedures across the organisation. As the Commission’s functions have expanded, there has been a corresponding expansion of our quality control measures. Six Internal Quality Auditors performed annual audits of the functional areas and recommended improvements that were subsequently implemented in 2001/2002.

**Whistleblowers procedure**

The Building Commission is committed to the aims and objectives of the Whistleblowers Protection Act 2001. The Commission established a system based on a model developed by the Ombudsman for reporting disclosures of improper conduct or detrimental action by the Commission or its employees.

The Commission recognises the value of transparency and accountability in its administrative and management practices, and supports full disclosure of matters involving corrupt conduct, conduct involving mismanagement of public resources, a risk to public health and safety or to the environment. The Commission has appointed a protected disclosure coordinator, however the Commission did not receive any complaints during the financial year.

**Environmental management**

The Commission formed a ‘Wastebusters’ group to reduce the environmental impact of its office activities. This resulted in the purchase of printers that printed double-sided and the introduction of a recycling system for paper.
Infrastructure development

During the year, the Commission took delivery of a contacts management system – ST Synergy. This has amalgamated all contact lists and databases across the Commission, enabling employees to operate more efficiently.

In addition the Commission:

- Commenced development of a storage area network within the Commission’s computer server room.
- Commenced development of an enhanced Business Recovery Plan.
- Commenced on-line payments via the Commission’s website.
- Delivered further enhancements to the Commission’s Building Practitioner Registrations System, the Building Appeals Board System, and the Commission’s Permit Levy System.

Future directions

- Development and implementation of a Knowledge Management Strategy.
- Implementation of a 2003 Workplace Enterprise Bargaining Agreement.
- Development of a data warehousing solution.
- Redesign of the Building Commission’s website to provide more targeted information to stakeholders.
Management

Statutory bodies
The Building Commission administers four statutory bodies in accordance with the Building Act 1993.

Building Advisory Council
The Building Advisory Council is the senior industry based advisory group, which advises the Minister for Planning on:
- The administration of the Building Act 1993 and Building Regulations 1994;
- The impact of the building regulatory system established by the Building Act 1993 and Building Regulations 1994; and
- Issues relating to the building permit levy.

Achievements
- Instigated research into building practitioner attitudes towards dispute resolution, resulting in input into recent legislative changes for builders warranty insurance.
- Advice to the Minister and Building Commission regarding builders warranty insurance reforms and Building Advice and Conciliation Victoria.
- Consideration of the environmental control of domestic building construction sites with the aim of promoting standardised practices across municipalities in order to improve compliance and lower costs to consumers and the building industry.
- Discussion on the need to address a potential shortage of building surveyors and building inspectors, and the implications for Local Government.
- Guidance on production and launch of a discussion paper relating to the reform of owner builders.
- Advice on the Building Commission’s legislative program.

Membership as at 30 June 2002
- Independent Chairperson – vacant
- **Jennifer Cunich**, Executive Director (Vic) – Property Council of Australia Nominated by the Property Council of Australia (Appointment to 31 March 2004)
- **John Gaffney**, Executive Director – Housing Industry Association Vic Nominated by the Housing Industry Association (Appointment to 31 March 2004)
- Bernadette Steele & Dennis Fitzgerald (observers) – Consumer Affairs Victoria
- **Jane Stephens**, Executive Director – Institution of Engineers Nominated by the Minister for Planning (Appointment to 31 March 2004)
- **Brian Welch**, Executive Director – Master Builders Association Vic Nominated by the Master Builders Association of Victoria (Appointment to 31 March 2004)
Building Appeals Board

The Building Appeals Board (BAB) determines disputes and appeals arising from the Building Act 1993. Referrals (section 160A) and modifications (section 160) may be made to the BAB that a particular design of a building or an element of a building complies with the Act, or that a provision of the building regulations does not apply to a particular building.

Achievements

- Developed a strategic plan and vision for the BAB.
- Developed and adopted a code of conduct for the BAB.
- Developed internal guidelines on carports and verandahs, and residential care buildings.
- Developed an agreement (section 163 of the Building Act 1993) for buildings that are not termite protected. This has the capacity to save building owners legal costs of up to $3000.
- Obtained in principle support from the Department of Natural Resources and Environment for using their video-conferencing facilities. This will lead to the regular video-conferencing of appeals at a minimal cost and allow country Victorians greater access to the BAB.
- Ran information sessions for owners and proprietors of residential care buildings in conjunction with the Department of Human Services in response to regulation 5.15 of the Building Regulations 1994, which required sprinklers to be installed in residential care buildings by 1 August 2002.
- Presented at the Victorian Municipal Building Surveyors Group meeting on BAB technical requirements in lodging a modification application relating to regulation 5.15 of the Building Regulations 1994. This assisted the Municipal Building Surveyors (MBSs) in advising proprietors and owners of residential care buildings within their municipality of the legislative processes of applying to the BAB.
- Coordinated a disability seminar for BAB members in an effort to increase the members’ awareness and understanding of accessibility issues.
- Coordinated a ResCode seminar for BAB members.

Membership as at 30 June 2002

- **Ann Keddie**, (Chair), Principal – Cunningham & Keddie Pty Ltd
  Core member as an architect
  (Appointment to 30 June 2003)
- **Mick Batskos**, Executive Director – FOI Solutions Solicitors and Consultants
  On Call member as a legal representative
  (Appointment to 30 June 2003)
- **Max Chester**, Architect
  Core member as an architect
  (Appointment to 30 June 2003)
- **Glenn Eagles**, Director – Glenneagles Homes Pty Ltd
  Core member as a builder
  (Appointment to 30 June 2003)
- **Paul England**, Managing Director – Warrington Fire Research (Aust) Pty Ltd
  Core member as an engineer (Fire)
  (Appointment to 30 June 2003)
- **Glenn Evans**, Municipal Building Surveyor – City of Whitehorse
  Core member as a building surveyor
  (Appointment to 30 June 2003)
- **Paul Gardner**, Director – Gardner Group
  Core member as a building surveyor
  (Appointment to 30 June 2003)
- **Geoff Goddard**, Municipal Building Surveyor – City of Boroondara
  Core member as a building surveyor
  (Appointment to 30 June 2003)
- **Peter Jacobs**, Architect, Director – Jacobs Thomas & Associates
  Core member as an architect
  (Appointment to 30 June 2003)
- **Dominic Lai**, Umow Lai & Associates Pty Ltd
  Core member as an engineer (fire & mechanical)
  (Appointment to 30 June 2003)
- **Shane Leonard**, Building Surveyor – Philip Chun & Associates
  Core member as a building surveyor
  (Appointment to 30 June 2003)
- **Peter Luzinat**, Director – Peter Luzinat & Associates
  Core member as a building surveyor
  (Appointment to 30 June 2003)
Management

- Sean McGarrity, Senior Project Consultant – Bovis Lend Lease
  Core member as a building surveyor
  (Appointment to 30 June 2003)
- Gaye McKenzie – Collie Planning & Development Services
  Core member as a town planner
  (Appointment to 30 June 2003)
- Stuart McLennan, Director – Progressive Building Solutions
  Core member as a building surveyor
  (Appointment to 30 June 2003)
- James Mornane, Lawyer
  On Call member as a legal representative
  (Appointment to 30 June 2003)
- Judith Nicholson, Associate Director – ARUP Pty Ltd
  Core member as a planner
  (Appointment to 30 June 2003)
- Michael Norris, Managing Director – Hocking Norris Pty Ltd
  Core member as a builder, domestic & commercial
  (Appointment to 30 June 2003)
- David Pumpa – Phillips Fox
  On Call member as a legal representative
  (Appointment to 30 June 2003)
- Peter Rodrigues, Principal Officer, Building – City of Melbourne
  Core member as an engineer (civil)
  (Appointment to 30 June 2003)
- Brett Rogers, Director – Baracon Group Pty Ltd
  Core member as a builder, commercial
  (Appointment to 30 June 2003)
- Vivienne Topp
  On Call member as a disability specialist/lawyer
  (Appointment to 30 June 2003)
- John Williams, Director – DesignInc Melbourne
  Core member as an architect
  (Appointment to 30 June 2003)
- Tony Zoanetti, Director – Anthony Zoanetti & Associates Pty Ltd
  Core member as a building surveyor
  (Appointment to 30 June 2003)

Building Practitioners Board

The Building Practitioners Board (BPB) was established under section 183 of the Building Act 1993. The functions of the BPB under the Act are to administer a registration system for building practitioners, to supervise and monitor the conduct and ability to practice of registered building practitioners, and to make recommendations to the Minister about qualifications for registration.

Achievements

The BPB has established a business plan aimed at the improvement and development of practitioners. The key projects outlined in the business plan are:

- Continuing professional development;
- Registration awareness program;
- Practitioner mentoring program;
- Supply and demand of building surveyors and inspectors;
- The structure of the building practitioner registration system;
- Monitoring the quality of building work and practitioner services; and
- The Building Practitioners Manual.

The Building Commission and the Building Practitioners Board are developing a Continuing Professional Development (CPD) program with a view to implementing a model for all registered building practitioners.

The BPB has worked closely with building industry stakeholders to meet the registration and renewal demands of some 12,000 domestic builders many of whom were affected by insurance related issues throughout the reporting period.
Membership as at 30 June 2002

■ Carolyn Lloyd, Director – Carolyn Lloyd Consulting
  Nominated as Independent Chairperson
  (Appointment to 14 May 2004)

■ Bill Brazenor, Director of Design Services,
  John Mullen & Associates Engineer representative
  Nominated by the Institution of Engineers
  (Appointment to 14 May 2003)

■ Maryanna Grzan, Municipal Building Surveyor,
  Manningham City Council
  Nominated by the Australian Institute of
  Building Surveyors
  (Appointment to 30 April 2005)

■ Narelle Lockwood, Draftsperson, Young Architects
  Nominated by the Building Designers Association
  of Victoria
  (Appointment to 14 May 2004)

■ Brian Marklew, Managing Director, Marklew Constructions
  Nominated by the Housing Industry Association
  (Appointment to 14 May 2003)

■ David Newnham, Managing Director, Stonehaven Homes
  Nominated by the Master Builders Association of Victoria
  (Appointment to 14 May 2005)

■ Sarah Slattery, Associate Quantity Surveyor,
  Slattery Australia
  Nominated by the Australian Institute of Quantity Surveyors
  (Appointment to 14 May 2004)

■ Geoff Stephens, Director, Turners Hire Service
  Nominated by the Hire & Rental Association of Victoria
  (Appointment to 14 May 2003)

■ David Urie, Building Inspector, Latrobe City Council
  Nominated by the Australian Institute of Building Surveyors
  (Appointment to 14 May 2003)
Building Regulations Advisory Committee
The Building Regulations Advisory Committee (BRAC) advises the Minister for Planning on draft regulations and provides accreditation of building products, construction methods, designs and components and systems associated with building work.

Achievements
- Accreditation of 6 new products as suitable for use in the building industry including:
  - Scandinavian Chimney Element;
  - Collins and Aikman ‘Explorer Carpet’ with condensed vinyl cushion styles;
  - Ontera Modular Carpet ‘Echoes’;
  - Ontera Modular Carpet ‘Colourweave’;
  - Carpet Tiles Jakarta with latex/glass back; and
  - Flotex 150/200 Sheet Carpet and Flotex Carpet Tiles.
- Technical input into amendments to the Building Code of Australia.
- Technical input and comment on 16 new and amended Australian Standards including standards in relation to the construction of building in bushfire prone areas, the use of ventilation and air-conditioning in buildings, and glass in buildings.
- Development of the draft Building (Amendment) Regulations 2002 following receipt of submissions from the industry and the community.
Membership as at 30 June 2002

- **Tony Arne**, Commissioner, Building Commission
  Nominated by the Minister for Planning
  (Appointment to 30 April 2004)

- **Kara Chun**, Disability Consultant –
  Morris Walker Disability Consultant
  Nominated by the Australian Institute
  of Building Surveyors
  (Appointment to 30 April 2004)

- **Jeff Clifton**, Managing Director,
  Clifton Coney Stevens Pty Ltd
  Nominated by the Property Council of Australia
  (Appointment to 30 April 2004)

- **Suzanne Dance**, Principal, Suzanne Dance Architects
  Nominated by the Royal Australian Institute of Architects
  (Appointment to 30 April 2004)

- **Glenn Evans**, Manager –
  Building Services Department & Municipal Building
  Surveyor, City of Whitehorse
  Appointment by the Municipal Association of Victoria
  (Appointment to 30 April 2003)

- **Neil Evans**, Manager – Technical Services,
  Master Builders Association of Victoria
  Nominated by the Master Builders Association of Victoria
  (Appointment to 30 April 2003)

- **Virginia Kirton**, Director, Projektion Pty Ltd
  Nominated by the Minister for Planning
  (Appointment to 30 April 2003)

- **David Nicholson**, Director – Community Safety,
  Metropolitan Fire and Emergency Services Board
  Nominated by the Minister administering the
  County Fire Authority Act 1958 and the
  Metropolitan Fire Brigades Act 1958
  (Appointment to 30 April 2005)

- **Bronwyn Northfield**, Barrister & Solicitor, Maddocks
  Nominated by the Minister for Planning
  (Appointment to 30 April 2004)

- **David Robertson**, Director – Structural Services,
  John Mullen and Partners
  Nominated by the Institution of Engineers, Australia
  (Appointment to 30 April 2003)

- **Peter Rodrigues**, Principal Officer – Building Certification
  & Inspection Branch, City of Melbourne
  (Appointed to 30 April 2005)

  Nominated by the Australian Institute of Building Surveyors
  (Appointment to 30 April 2003)
Management

Organisational chart (30 June 2002)

Leadership team

Commissioner

Tony Arnel BArch, Master of Urban Planning, Fellow – Australian Institute of Company Directors
Appointed 2000

Responsibilities:
- Commissioner
- Reporting to the Minister for Planning
- Responsible for the building control portfolio within the Victorian government

Director, Building Quality

Peter Nassau BArch
Appointed 2001

Responsibilities:
- Building codes, regulation, research and development
- Support to the Building Appeals Board and Building Regulations Advisory Committee
- Technical expertise and advice
- Building surveyor function for places of public entertainment

Director, Business Development & Consumer Services

Sarah McCann-Bartlett BA BCom, Grad Dip Marketing
Appointed 2001

Responsibilities:
- Marketing and public relations
- Organisational effectiveness
- Business development
- Building permit levy and building information

Director, Compliance and Conciliation

Moshe Gilovitz BArch, Grad Cert Perf Based Fire Codes
Appointed 2001

Responsibilities:
- Practitioner compliance, investigation and audit
- Resolution of technical disputes between builders and building consumers
Director, Financial & Business Services
Paul Crapper  BBus (Acc), Fellow Certified Practising Accountant
Appointed 2001
Responsibilities:
- Promotion of information technology for the building industry
- Corporate information technology
- Facility management and purchasing
- Financial and records management

Director, Planning and Corporate Affairs
Gwen Schwarz  B Town and Regional Planning
Grad Cert Management
Appointed 2001
Responsibilities:
- Stakeholder relationship development
- Corporate planning
- Commission initiatives
- Local Government partnering program

Director, Policy Services
Jeff Norton  B Town and Regional Planning
Grad Cert Management
Appointed 2001
Responsibilities:
- Strategic policy development
- Building legislation development
- Corporate legal services
- Building Advisory Council support

Director, Practitioner Services
(vacant)
Responsibilities:
- Support to Building Practitioners Board
- Practitioner assessment and registration
- Practitioner competency development
Management

Our corporate values

- Leadership and vision
- Teamwork
- Integrity
- Making a positive difference
- Life balance

People

Organisational profile

The Building Commission employed 81 ongoing and two contract employees working at three locations across the state at 30 June 2002. During the year, one employee was seconded to assist the Royal Commission into the Building and Construction Industry. A strong gender balance exists across all facets of employment.

The Commission has enjoyed significant growth in employment levels over the past 12 months as a number of new initiatives have commenced. Many of the new positions have occurred in technical and policy roles, reflecting increased responsibilities in areas including sustainability, accessibility, partnering programs with Local Government and to address changes to legislation and regulations.

Development of corporate values

During the reporting year, the Commission undertook an analysis of our corporate goals and in doing so identified the need to develop clear and unambiguous corporate values. Employees subsequently developed the values that make our organisation unique. Emphasis over the coming year will rest on how these values are integrated into the organisation.

Partnerships at work - Victorian finalist

The Commission’s achievement in reaching the finals of the inaugural ‘Premier’s Award for Partnerships at Work’ was a highlight for 2001/2002. The awards are designed to promote and recognise organisations that foster cooperative work partnerships with internal and external stakeholders, associated bodies and others.

Securing a finalist position in the ‘under 100 employees’ category was testimony to a continuous improvement philosophy across a broad range of management and employee relations programs.

Organisational culture & employee awards

Events are held for all Commission employees on a monthly basis. At every event a work unit of the Commission presents information about their function and key issues to employees. In addition an award is provided to the best performing employee of the month.

The Commission also participates in fundraising events such as the ‘Jeans for Gene’s’ day, and participates in community projects such as ‘Common Fate’ which promotes Aboriginal reconciliation.

Workforce trends

Over the past four years, the Commission’s employee profile by occupational category has seen a positive increase in the number of women occupying senior managerial, professional and technical roles. In 1998/1999, the Commission’s occupational profile reported 15% female and 85% male employees in managerial, professional and para-professional roles. In 2001/2002, the Commission’s new occupational profile has altered significantly. Females now occupy senior roles on the executive team, in corporate services and in technical roles resulting in an increase to 35% representation. All appointments are made on the basis of merit, however, this shift is a welcome signal in a traditionally male dominated industry sector.

<table>
<thead>
<tr>
<th>Employment profile by category and gender</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2000/01</th>
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<tr>
<td>Managerial</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>6*</td>
<td>9</td>
</tr>
<tr>
<td>Professional</td>
<td>3</td>
<td>4</td>
<td>11</td>
<td>8</td>
<td>14</td>
<td>12</td>
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<tr>
<td>Associate Professional (including Technical)</td>
<td>5</td>
<td>12</td>
<td>19</td>
<td>22</td>
<td>24</td>
<td>34</td>
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<tr>
<td>Admin/Secretarial/Customer Service</td>
<td>19</td>
<td>20</td>
<td>7</td>
<td>6</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29</strong></td>
<td><strong>39</strong></td>
<td><strong>41</strong></td>
<td><strong>42</strong></td>
<td><strong>70</strong></td>
<td><strong>81</strong></td>
</tr>
</tbody>
</table>

* 2 of which were on secondment from the Department of Infrastructure

Leadership and vision

- A strong commitment to partnership and innovation by incorporating strategic planning;
- Its consultation processes and employee involvement in developing a partnership vision;
- Implementing a partnership approach; knowledge management, and commitment to quality analysis; and
- Providing a supportive, innovative workplace for employees.

The judging panel noted that the Commission’s stand-out areas included:

- A strong commitment to partnership and innovation by incorporating strategic planning;
- Its consultation processes and employee involvement in developing a partnership vision;
- Implementing a partnership approach; knowledge management, and commitment to quality analysis; and
- Providing a supportive, innovative workplace for employees.
Our Occupational Health and Safety strategy is based on a healthy work environment, and a healthy life balance. These form part of our corporate values. The Commission has a Workplace Wellbeing Forum to implement this strategy. The forum comprises a team of employees who hold positions of responsibility for education, support and action.

The Forum was introduced to consider issues of importance to employee health and wellbeing. It facilitates active discussion across the workplace, and is charged with considering appropriate interventions and initiatives. The forum has addressed issues such as new staff induction, ergonomics, and smoking and assists the Commission in ensuring it meets its relevant legislative responsibilities in a proactive manner.

The industrial instrument of the Commission is the BCC Agreement 2000, which entered its second year of operation and sustained a high level of employee acceptance in 2001/2002. There was no time lost due to industrial disputes in the period.

The Commission actively acknowledges cultural diversity in the workplace and the wider community. Our ‘Managing Diversity and Equity Policy’ is reinforced through our corporate value of ‘teamwork’ and is also prominently circulated to new and existing employees through the intranet and as a major theme in corporate orientation sessions.

Currently, all bi-lingual employees are encouraged to utilise their skills when servicing the community. A formal translating service for parties required to appear before the Building Practitioners Board is being considered.

In light of significant changes and new corporate challenges over the past ten months, including the release of the Commission’s Corporate Plan, a restructure to better align the Commission’s divisional units with corporate goals and objectives was implemented in September 2001. The Commission moved to a multi divisional structure with clearer lines of responsibility and accountability. A new unit has also been added to the Commission’s structure to support our partnership with Consumer Affairs Victoria and the Victorian Civil and Administrative Tribunal in establishing Building Advice and Conciliation Victoria.

A program of organisational change and cultural alignment is being supported, in part, through the development of corporate values. In addition a comprehensive diagnosis of current and future capabilities was commenced during the reporting period. This initiative will culminate in a planned and detailed approach to skill development for the organisation over the next 36 months. The Commission recognises the significance of developing our people and their capabilities to reach the strategic goals for the benefit of our stakeholders.

The Commission encourages all employees to develop qualities and skills that relate to high quality leadership and management behaviours. We do this through a performance management system where reviews occur for all employees on a 6 and 12 month basis. This year we also introduced 360 degree feedback for all Directors and Managers where feedback is provided from multiple sources and perspectives, including managers, peers and direct reports.

The Commission continued its commitment to building the skills of employees. During the year each employee averaged approximately 3.5 days of structured learning and development with an average investment of $1,000 each. Programs ranged from personal skill enhancement, public speaking and presentation, report writing, through to programs with a highly technical orientation such as software application, Government law on privacy principles, and energy efficiency.

Future directions
- Implementation of a 2003 Workplace Enterprise Bargaining Agreement.
- Introduction of a human resource information management system, which will better manage resources, payroll and employee entitlements.
- Implementation of a three year targeted development plan.
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Notes to and forming part of the financial statements  55
Summary of significant changes to financial position

Full disclosure of the Building Commission’s financial position is included in the Financial Statements and Notes to the Financial Statements. Operating revenue increased in 2001/2002 by $4.3M from the 2000/2001 figure. This was primarily reflected by:

- An increase in building permit levy receipts of $2.0M reflected a significant increase in building activity in Victoria, primarily from the domestic and commercial building sectors. The result achieved represents the highest building permit levy collections in the Commission’s eight year history. Consumer support for the Federal Government’s First Home Owners Grant had a significant positive impact on the domestic building sector in 2001/2002.

- A Treasurer’s Advance of $2.1M was received on 28 June 2002 from the Department of Treasury and Finance to assist the Building Commission with the establishment of Building Advice and Conciliation Victoria functions during the 2002/2003 financial year under the Domestic Buildings Contracts (Conciliation and Dispute Resolution) Act 2002. The Act became effective on 1 July 2002. The receipt of the Treasurer’s Advance is clearly reflected in the Commission’s total operating revenue, cash/investment position, total assets and working capital surplus as at 30 June 2002.

Operating expenses showed a significant increase – up by $2.6M from 2000/2001. The increase in operating expenses reflecting implementation of the Commission’s Corporate Plan and Annual Business Plan for 2001/2002, new organisational structure, the HIH insurance collapse, reviews associated with the changing landscape of the builders warranty insurance market and the introduction of building dispute resolution strategies, increased building industry research and leadership (particularly in relation to 5 star energy ratings for domestic building, ResCode and universal access for the disabled), a market rent review of Casselden Place, plus building industry and local government consultation.

The Commission’s Reserves Policy typically directs additional revenue received into expenditure associated with building industry research projects and initiatives directed at development of Commission services to the building industry and the Victorian community.

Major contributors to the increase in operating expenses included:

- Increased staffing and related on-costs (including superannuation) reflective of implementation of the Commission’s Corporate Plan, Annual Business Plan for 2001/2002 and new organisational structure effective 1 September 2001 (+$1.2M).

- Increased project expenditure associated with implementation of the Commission’s Corporate Plan and Annual Business Plan for 2001/2002, reviews associated with the changing landscape of the builders warranty insurance market and the introduction of building dispute resolution strategies, increased building industry research and leadership (particularly in relation to 5 Star energy efficiency standard for domestic building, ResCode and accessibility in the built environment) plus building industry and local government consultation (+$0.4M).

- Increased accommodation charges reflective of a market rental increase for level 27 at Casselden Place effective 1 July 2001 (+$0.2M).

- Increased staff recruitment costs associated with the new organisational structure (+$0.2M).

- Increased hire of agency staff due to the HIH insurance collapse and HIH levy audit requirements (+$0.2M).
Total asset holdings rose by $3.2M primarily due to an increase in the cash/investment position following receipt of the Treasurer’s Advance, receivables reflecting increased building permit levy activity and increased fixed assets reflecting enhancements to the Commission’s IT systems.

There have been no events subsequent to the balance day, which may have an effect in subsequent years.

**Financial Performance Summary**

<table>
<thead>
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<tbody>
<tr>
<td>Building permit levy</td>
<td>$4.8M</td>
<td>$5.6M</td>
<td>$6.6M</td>
<td>$6.4M</td>
<td>$8.4M</td>
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<td>Building practitioner registrations</td>
<td>$1.8M</td>
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<td>$1.8M</td>
<td>$1.7M</td>
<td>$1.7M</td>
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<td>Treasurer’s Advance</td>
<td>$0.0M</td>
<td>$0.0M</td>
<td>$0.0M</td>
<td>$0.0M</td>
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<td>Total Revenue</td>
<td>$7.4M</td>
<td>$8.4M</td>
<td>$9.3M</td>
<td>$9.4M</td>
<td>$13.7M</td>
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<td>Operating Expenses</td>
<td>$7.1M</td>
<td>$8.2M</td>
<td>$8.3M</td>
<td>$9.2M</td>
<td>$11.8M</td>
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<tr>
<td>Result from ordinary activities</td>
<td>$0.3M</td>
<td>$0.2M</td>
<td>$1.0M</td>
<td>$0.2M</td>
<td>$1.9M</td>
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<tr>
<td>Total Assets</td>
<td>$4.7M</td>
<td>$5.1M</td>
<td>$6.8M</td>
<td>$6.5M</td>
<td>$9.7M</td>
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<tr>
<td>Retained Earnings</td>
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<td>$1.7M</td>
<td>$2.7M</td>
<td>$2.9M</td>
<td>$1.9M</td>
</tr>
<tr>
<td>Net increase in cash held</td>
<td>$0.5M</td>
<td>$(0.2M)</td>
<td>$1.8M</td>
<td>$(0.6M)</td>
<td>$2.7M</td>
</tr>
</tbody>
</table>

**Building Permit Levy**

The Building Permit Levy is the Commission’s major source of revenue. The levy is payable at the rate of 0.064 cents in the dollar on the value of building work requiring a building permit. A levy is not payable on an application for a building permit if the cost of building work is $10,000 or less. It is collected on a monthly basis through the building surveyor who issues the building permit. From 1 August 1997, the levy is payable on all Victorian and Local Government projects.

The amount of building permit levy collected for the 2001/2002 financial year increased by 31%, to $8.4M. The amount significantly exceeded budget projections.

**Consultancies**

The total value of business related consultancies undertaken by the Commission was $994,716. They were directed towards such matters as:

- Builders warranty insurance.
- Research into building system costs.
- Building dispute resolution process.
- Industry outcomes measurement.
- Security of payments.
- Strategic directions project.
- Development research associated with a swimming pool and spa database.
- IT&T in the building industry projects.
- Local government project.
- Legal advice – building industry related and general.
Domestic Building Indemnity Fund

On 8 June 2001, the passing of the House Contracts Guarantee (HIH) Act 2001 in State Parliament resulted in the introduction of a further 0.032 cents in the dollar of building permit levy on the value of domestic building work requiring a building permit over $10,000. The additional building permit levy is payable on a monthly basis to the Domestic Building (HIH) Indemnity Fund administered by the Housing Guarantee Fund Ltd. The total amount collected and subsequently paid to the Housing Guarantee Fund Ltd. for 2001/2002 was $2.6M.

Bonds and Guarantees

Relevant building surveyors when issuing building permits for demolition, removal or re-erection of a building, must under Section 22 of the Building Act 1993, require the applicant to lodge either a monetary bond or bank guarantee with the Commission – until completion of the project.

During 2001/2002, 312 bonds or guarantees were lodged with the Commission in respect of projects. At 30 June 2002, the Commission held $2.1m in bonds and guarantees in respect of 447 outstanding projects. The Commission follows up outstanding projects with the relevant building surveyors every six months.

New Fees and Charges

Publications that attract a fee or charge include:

- The Essential Services Maintenance Manual $33
- Smoke Management in Large Spaces in Buildings $55
- Subscription to the Building Commission Information Service $66
- The Guide to Standards and Tolerances $8.80

All other Commission publications are available at no charge.

Private Interests

In accordance with Government requirements, private interest declarations for the year ended 30 June 2002 have been made by relevant staff of the Commission, and by members of the Building Advisory Council (BAC), the Building Regulations Advisory Committee (BRAC), the Building Appeals Board (BAB), and the Building Practitioners Board (BPB).

No senior officer held shares as a nominee, or beneficially in a statutory authority or subsidiary.

Freedom of Information

During the 2001/2002 period, the Commission received 17 requests for information under the Freedom of Information Act 1982. Of the requests, 13 were full disclosures, one part disclosure and three non-disclosures due to statutory exemptions.
The following table is included in accordance with Section 9 of the Directions of the Minister for Finance.

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<th>Requirement</th>
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<td>Name of Chief Executive Officer</td>
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<td>Summary of the financial results for the year</td>
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<td>9.1.3(ii)[b]</td>
<td>Significant changes in financial position during the year</td>
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<td>9.1.3(ii)[c]</td>
<td>Operational and budgetary objectives and performance against objectives</td>
<td>8, 45-66</td>
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<td>9.1.3(ii)[d]</td>
<td>Major changes or factors affecting achievement</td>
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<td>9.1.3(ii)[e]</td>
<td>Subsequent events</td>
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<td>9.1.3(ii)[f]</td>
<td>Application and operation of Freedom of Information Act 1982</td>
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<td>9.1.3(ii)[h]</td>
<td>Compliance with building and maintenance provisions of Building Act 1993</td>
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<td>9.1.3(ii)[k]</td>
<td>Statement on National Competition Policy</td>
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<td>9.1.3(ii)[f]</td>
<td>Details of consultancies over $100,000</td>
<td>46</td>
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<td>9.1.3(ii)[g]</td>
<td>Details of consultancies under $100,000</td>
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<td>9.1.3(ii)[i]</td>
<td>Statement of availability of other information</td>
<td>IBC</td>
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<td>Accrual basis of accounting</td>
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<td>9.2.2(ii)[b]</td>
<td>Compliance with AASs and other authoritative pronouncements</td>
<td>55</td>
</tr>
<tr>
<td>9.2.2(ii)[c]</td>
<td>Compliance with Ministerial Directions and AFRBs</td>
<td>55</td>
</tr>
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<td>55</td>
</tr>
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</tr>
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To the Members of the Parliament of Victoria, responsible Ministers and the Commissioner of the Building Commission

Audit Scope
The accompanying financial report of the Building Commission for the financial year ended 30 June 2002, comprising a statement of financial performance, statement of financial positions, statement of cash flows and notes to the financial statements, has been audited. The Commissioner of the Building Commission is responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and the Commissioner of the Building Commission as required by the Audit Act 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the Financial Management Act 1994, so as to present a view which is consistent with my understanding of the Commission’s financial position, financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the Financial Management Act 1994, the financial position of the Building Commission as at 30 June 2002, and its financial performance and cash flows for the year then ended.

J.W. Cameron
Auditor-General
Melbourne
21 August 2002
In our opinion, the financial statements of the Building Commission:

a) present fairly the financial transactions during the financial year and the financial position at the end of the year;
b) are drawn up in accordance with the Directions of the Minister of Finance under the Financial Management Act 1994; and
c) at the date of signing, we are unaware of any circumstance which would render any particulars in the financial statements to be misleading or inaccurate.

Dated this 20th day of August 2002.

__________________________
Tony Arnel
Commissioner/Accountable Officer

__________________________
Paul Crapper
Director Financial and Business Services/Chief Finance and Accounting Officer
Statement of Financial Performance
For the year ended 30 June 2002

<table>
<thead>
<tr>
<th>Notes</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Revenue

Revenue from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building permit levy</td>
<td>8,356,747</td>
<td>6,395,423</td>
</tr>
<tr>
<td>Building practitioner registrations</td>
<td>1,666,589</td>
<td>1,720,379</td>
</tr>
<tr>
<td>Cooling tower registrations</td>
<td>455,415</td>
<td>137,510</td>
</tr>
<tr>
<td>Modifications &amp; appeals</td>
<td>240,805</td>
<td>244,570</td>
</tr>
<tr>
<td>Prosecutions</td>
<td>186,206</td>
<td>69,461</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>308,942</td>
<td>335,893</td>
</tr>
<tr>
<td>Grant – Building Dispute Resolution Development</td>
<td>2,078,200</td>
<td>0</td>
</tr>
<tr>
<td>Total revenue from operating activities</td>
<td>13,292,904</td>
<td>8,903,236</td>
</tr>
</tbody>
</table>

Revenue from outside operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>209,055</td>
<td>247,424</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>176,721</td>
<td>255,209</td>
</tr>
<tr>
<td>Total revenue from outside operating activities</td>
<td>385,776</td>
<td>502,633</td>
</tr>
</tbody>
</table>

Total revenue from ordinary activities            | 13,678,680 | 9,405,869  |

Less Expenses from ordinary activities

| Description                                                      | 2002       | 2001       |
|                                                                |            |            |
| Salaries and related on-costs (excluding superannuation)        | 4,441,167  | 3,424,407  |
| Superannuation                                                  | 499,776    | 343,473    |
| General administration costs                                   | 4,232,153  | 3,337,038  |
| Accommodation charges                                          | 827,305    | 573,440    |
| Board and committee fees                                       | 314,108    | 272,066    |
| Grant – Australian Building Codes Board                        | 290,800    | 262,100    |
| Corporate services charges                                     | 388,112    | 136,112    |
| Depreciation                                                   | 631,252    | 567,833    |
| Written down value of fixed assets sold                        | 182,785    | 276,094    |
| Audit fees                                                     | 11,450     | 11,000     |
| Total expenses from ordinary activities                        | 11,818,908 | 9,203,563  |

Result from ordinary activities                         | 1,859,772  | 202,306    |

Total changes in equity other than those resulting from transactions with owners as owners | 1,859,772  | 202,306    |

The accompanying notes form an integral part of the financial statements.
## Statement of Financial Position

As at 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Notes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>2,802,151</td>
<td>(348,972)</td>
</tr>
<tr>
<td>Investments</td>
<td>3,486,752</td>
<td>3,985,284</td>
</tr>
<tr>
<td>Receivables</td>
<td>841,901</td>
<td>590,000</td>
</tr>
<tr>
<td>Sundry debtors – prosecutions</td>
<td>279,109</td>
<td>151,822</td>
</tr>
<tr>
<td>Other sundry debtors</td>
<td>113,053</td>
<td>242,538</td>
</tr>
<tr>
<td>Prepayments</td>
<td>99,093</td>
<td>179,720</td>
</tr>
<tr>
<td>Stock – materials and stores</td>
<td>201,547</td>
<td>201,778</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>7,823,606</td>
<td>5,002,170</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>1,853,369</td>
<td>1,517,823</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1,853,369</td>
<td>1,517,823</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>9,676,975</td>
<td>6,519,993</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>1,596,572</td>
<td>1,487,970</td>
</tr>
<tr>
<td>GST clearing account</td>
<td>25,750</td>
<td>(180,702)</td>
</tr>
<tr>
<td>Provisions for employee entitlements</td>
<td>677,758</td>
<td>469,464</td>
</tr>
<tr>
<td>Domestic Building List</td>
<td>80,174</td>
<td>123,686</td>
</tr>
<tr>
<td>Insurance rescue package</td>
<td>478,720</td>
<td>50,000</td>
</tr>
<tr>
<td>Cooling towers registration clearing</td>
<td>124,070</td>
<td>0</td>
</tr>
<tr>
<td>Payables</td>
<td>337,634</td>
<td>289,286</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>910,177</td>
<td>874,356</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>4,230,855</td>
<td>3,114,060</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for employee entitlements</td>
<td>325,361</td>
<td>144,946</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>325,361</td>
<td>144,946</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,556,216</td>
<td>3,259,006</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed capital</td>
<td>3,260,987</td>
<td>323,079</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,859,772</td>
<td>2,937,908</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>5,120,759</td>
<td>3,260,987</td>
</tr>
<tr>
<td><strong>Total liabilities &amp; equity</strong></td>
<td>9,676,975</td>
<td>6,519,993</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of the financial statements.
Statement of Cash Flows
For the year ended 30 June 2002

<table>
<thead>
<tr>
<th>Notes</th>
<th>2002 $</th>
<th>2001 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflows (Outflows)</td>
<td>Inflows (Outflows)</td>
<td></td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(4,549,048)</td>
<td>(3,876,307)</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(5,988,797)</td>
<td>(5,084,507)</td>
</tr>
<tr>
<td>Grant – Australian Building Codes Board</td>
<td>(290,800)</td>
<td>(262,100)</td>
</tr>
<tr>
<td>Domestic Building List</td>
<td>(43,512)</td>
<td>24,113</td>
</tr>
<tr>
<td>Receipts from Building Permit Levy</td>
<td>8,533,566</td>
<td>6,355,423</td>
</tr>
<tr>
<td>Receipts from other fees</td>
<td>3,022,749</td>
<td>2,184,594</td>
</tr>
<tr>
<td>Grant – Building Dispute Resolution Development</td>
<td>2,078,200</td>
<td>0</td>
</tr>
<tr>
<td>Interest received</td>
<td>210,056</td>
<td>252,292</td>
</tr>
<tr>
<td>GST input tax credits</td>
<td>544,436</td>
<td>244,833</td>
</tr>
<tr>
<td><strong>Net cash provided by / (used in) operating activities</strong></td>
<td>3,516,850</td>
<td>(161,659)</td>
</tr>
</tbody>
</table>

Cash flows from investing activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2002 $</th>
<th>2001 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for purchase of plant and equipment</td>
<td>(1,264,541)</td>
<td>(974,114)</td>
</tr>
<tr>
<td>GST input tax credits</td>
<td>114,958</td>
<td>88,556</td>
</tr>
<tr>
<td>Proceeds from sale of plant and equipment</td>
<td>176,721</td>
<td>255,209</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(972,862)</td>
<td>(630,349)</td>
</tr>
</tbody>
</table>

Cash flows from financing activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2002 $</th>
<th>2001 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security deposits (net movement)</td>
<td>108,603</td>
<td>179,071</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>108,603</td>
<td>179,071</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash held</td>
<td>2,652,591</td>
<td>(612,937)</td>
</tr>
<tr>
<td>Cash at the beginning of the financial year</td>
<td>3,636,312</td>
<td>4,249,249</td>
</tr>
<tr>
<td><strong>Cash at the end of the financial year</strong></td>
<td>6,288,903</td>
<td>3,636,312</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of the financial statements.
1. Statement of significant accounting policies

1.1 General
The general purpose financial statements of the Building Commission have been prepared in accordance with the Financial Management Act 1994, the Directions of the Minister for Finance, Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group consensus views).

These financial statements have been prepared on an accrual basis in accordance with the historical cost convention except where otherwise stated.

Effective 1 January 2002 the Building Control Commission formally changed its name to the Building Commission under an amendment to the Building Act 1993.

1.2 Fixed assets
Fixed assets are shown at cost less accumulated depreciation. Depreciation is charged on a straight line basis based on estimated useful life and the residual value of each asset. Estimates of remaining useful lives are made on an annual basis. Depreciation rates and useful lives of each class of fixed asset are as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Rate</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicles</td>
<td>10%</td>
<td>*2 years</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>15%</td>
<td>6 years</td>
</tr>
<tr>
<td>EDP equipment</td>
<td>33.3%</td>
<td>3 years</td>
</tr>
<tr>
<td>Office machines and equipment</td>
<td>10%</td>
<td>10 years</td>
</tr>
</tbody>
</table>

* 10% depreciation rate reduces the value of motor vehicles to their expected trade value after 2 years.

1.3 Employee entitlements
Provision has been made for benefits accruing to employees in relation to annual leave, long service leave and staff contract bonuses. On-costs including payroll tax, workcover and superannuation are included in the provisions.

Provisions for annual leave and staff contract bonuses have been calculated at nominal rates.

A liability for long service leave is recognised and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates attaching, as at the reporting date, to Commonwealth Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

1.4 Method of revenue recognition
(a) Building permit levy
Building permit levy receipts are brought to account in the month of issue of the building permit.
(b) Building Practitioner Registrations
Yearly registration renewal fees received throughout the year are recognised as income on a pro-rata basis. Registration fees received relating to the subsequent year are recognised at year-end as deferred revenue (note 14).
(c) Cooling tower registrations, modifications and appeals, miscellaneous revenue and proceeds from sale of fixed assets

 Cooling tower registrations, modifications and appeals and miscellaneous revenue are brought to account when earned. Proceeds from sale of fixed assets are recognised upon signing the contract of sale.

(d) Prosecutions

 Sundry debtors – prosecutions of $279,109 represents revenue owing at 30 June, 2002 of $458,747, less a provision for doubtful debts of $179,638, to recognise prosecution fines and costs payable to the Building Commission as a result of legal action taken by the Commission against building practitioners in the Magistrates Court. A provision for doubtful debts allows for fines and costs which may be commuted to community based orders and other penalties, and which may be paid by instalment. The level of the provision for doubtful debts reflects all prosecutions where no money has yet to be received by the Court for payment to the Building Administration Fund.

(e) Grant revenue

 Grant revenue is recognised upon receipt of the grant.

1.5 Tax status

 The activities of the Commission are exempt from Federal income tax and the State’s Tax Equivalent system.

1.6 Receivables

 Trade debtors are carried at amounts receivable. The collectibility of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Debts which are known to be uncollectable are written off.

1.7 Investments

 Investments, generally comprised of amounts on deposit, are brought to account at cost. Interest revenue is recognised when the interest is earned.

1.8 Creditors and accruals

 Creditors and accrued expenses represent liabilities for goods and services provided to the Commission prior to balance date and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.9 Contributed capital – change in accounting policy

 For the reporting period ending 30 June 2002, the Building Commission has deemed all of its retained surplus of $2,937,908 as the opening balance for contributed capital.

 This accounting treatment is to comply with Urgent Issues Group Abstract 38 Contributions by Owners Made to Wholly-Owned Public Sector Entities and Accounting and Financial Reporting Bulletin No. 39 Accounting for Contributed Capital and No. 40 Establishment of Opening Balances and Formal Designation for Contributed Capital.

 The change in accounting policy has resulted in the recognition, in the statement of financial position, as at 1 July 2001 of an opening balance of $3,260,987 as contributed capital (1 July 2000 – $323,079) and $0 amount for the accumulated surplus (1 July 2000 – $2,937,908).

 Contributed capital as at 1 July 2000 represents net assets transferred by the Victorian Government from the former Department of Planning and Development to establish the Commission.
2. Building permit levy
The building permit levy is calculated based on 0.064 cents in every dollar of the cost of building work for which a building permit is sought.

3. Components of revenue
   (a) Miscellaneous revenue
   Miscellaneous revenue is comprised of:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit fees</td>
<td>67,594</td>
<td>5,455</td>
</tr>
<tr>
<td>Public building fees</td>
<td>1,400</td>
<td>13,964</td>
</tr>
<tr>
<td>Publications</td>
<td>19,510</td>
<td>28,984</td>
</tr>
<tr>
<td>Seminars</td>
<td>0</td>
<td>78</td>
</tr>
<tr>
<td>Fines</td>
<td>3,685</td>
<td>110,058</td>
</tr>
<tr>
<td>Statistical publications</td>
<td>2,585</td>
<td>0</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>2,700</td>
<td>0</td>
</tr>
<tr>
<td>Accreditation fees</td>
<td>7,000</td>
<td>5,000</td>
</tr>
<tr>
<td>BASIS consultancy fees</td>
<td>10,700</td>
<td>22,544</td>
</tr>
<tr>
<td>Pools database Department of Sport &amp; Recreation agreement grant</td>
<td>151,818</td>
<td>0</td>
</tr>
<tr>
<td>Freedom of information fees</td>
<td>290</td>
<td>330</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>41,660</td>
<td>149,480</td>
</tr>
<tr>
<td></td>
<td>308,942</td>
<td>335,893</td>
</tr>
</tbody>
</table>

   (b) Proceeds from sale of fixed assets

   (c) Prosecutions
<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosecutions revenue</td>
<td>182,506</td>
<td>65,774</td>
</tr>
<tr>
<td>Less: provision for doubtful debts</td>
<td>3,700</td>
<td>3,687</td>
</tr>
<tr>
<td></td>
<td>186,206</td>
<td>69,461</td>
</tr>
</tbody>
</table>

   (d) Grant – Building Dispute Resolution Development
   A Treasurers Advance of $2,078,200 was received on 28 June 2002 from the Department of Treasury and Finance to assist the Building Commission with the establishment of Building Advice and Conciliation Victoria functions during the 2002/2003 financial year under the Domestic Buildings Contracts (Conciliation and Dispute Resolution) Act 2002. The Act became effective on 1 July 2002.
4. Salaries and related on-costs (excluding superannuation)
Salaries and related on-costs comprise payments for salaries, overtime, payroll tax, WorkCover and increases in provisions for annual leave, long service leave and staff contract bonuses.

5. Superannuation
Contributions to superannuation plans are expensed in the year they are paid or become payable. No amount is recognised in relation to the net surplus or deficit of each plan.

Employees previously employed by the Department of Infrastructure have retained access to schemes operated by the Government Superannuation Office ie Revised, New and VicSuper Pty. Ltd. The Commission contributed between 8% and 14% to these schemes in 2002.

Employees who commenced employment with the Commission since 1 July 1994 have had access to VicSuper and the Lifetrack Superannuation Fund. Both funds are accumulation schemes and do not have an unfunded liability. The Commission contributed a minimum of 8% to these schemes in 2002. The following contributions were made during the year to the various schemes:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Superannuation Schemes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>72,872</td>
<td>44,493</td>
</tr>
<tr>
<td>New scheme</td>
<td>20,325</td>
<td>22,868</td>
</tr>
<tr>
<td>VicSuper</td>
<td>239,284</td>
<td>140,874</td>
</tr>
<tr>
<td>Other Superannuation Schemes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifetrack Superannuation Fund</td>
<td>25,229</td>
<td>70,658</td>
</tr>
<tr>
<td>C+ Bus superannuation</td>
<td>5,000</td>
<td>0</td>
</tr>
<tr>
<td>Salary sacrifice – superannuation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VicSuper</td>
<td>137,066</td>
<td>61,503</td>
</tr>
<tr>
<td>Lifetrack Superannuation Fund</td>
<td>0</td>
<td>3,077</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>499,776</strong></td>
<td><strong>343,473</strong></td>
</tr>
</tbody>
</table>

No contributions were outstanding at 30 June 2002.
6. General administration costs

General administration costs comprise:

<table>
<thead>
<tr>
<th>Item</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelling and subsistence</td>
<td>144,719</td>
<td>128,244</td>
</tr>
<tr>
<td>Office requisites, printing and stationery</td>
<td>208,331</td>
<td>209,780</td>
</tr>
<tr>
<td>Minor asset purchases</td>
<td>47,795</td>
<td>85,043</td>
</tr>
<tr>
<td>Books and publications</td>
<td>27,879</td>
<td>24,717</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>89,009</td>
<td>86,157</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>91,456</td>
<td>78,386</td>
</tr>
<tr>
<td>Incidental expenses</td>
<td>546,457</td>
<td>285,479</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>397,594</td>
<td>423,406</td>
</tr>
<tr>
<td>Hire of agency staff</td>
<td>282,389</td>
<td>139,925</td>
</tr>
<tr>
<td>Project expenditure</td>
<td>2,128,464</td>
<td>1,707,726</td>
</tr>
<tr>
<td>Insurance</td>
<td>86,301</td>
<td>38,947</td>
</tr>
<tr>
<td>Fringe benefits tax</td>
<td>169,680</td>
<td>113,427</td>
</tr>
<tr>
<td>Bank charges</td>
<td>12,079</td>
<td>15,792</td>
</tr>
<tr>
<td>Bad debts</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>4,232,153</td>
<td>3,337,038</td>
</tr>
</tbody>
</table>

7. Board and committee fees

Board fees comprise sessional payments, on-costs, travel and incidental expenses of the following boards and committees:

- Building Advisory Council
- Building Appeals Board
- Building Practitioners Board
- Building Regulations Advisory Committee

8. Corporate services charges

These payments reflect amounts paid to external information technology support companies, building practitioner registration renewal outsourcing providers and external building practitioner registration assessors.
9. Fixed assets
Fixed assets comprised:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Motor vehicles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>545,492</td>
<td>491,503</td>
</tr>
<tr>
<td>less Accumulated Depreciation</td>
<td>46,819</td>
<td>33,103</td>
</tr>
<tr>
<td>Written-down Value</td>
<td>498,673</td>
<td>458,400</td>
</tr>
<tr>
<td><strong>Furniture and fittings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>660,856</td>
<td>587,359</td>
</tr>
<tr>
<td>less Accumulated Depreciation</td>
<td>445,676</td>
<td>354,730</td>
</tr>
<tr>
<td>Written-down Value</td>
<td>215,180</td>
<td>232,629</td>
</tr>
<tr>
<td><strong>EDP equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>2,649,244</td>
<td>1,979,249</td>
</tr>
<tr>
<td>less Accumulated Depreciation</td>
<td>1,533,250</td>
<td>1,174,483</td>
</tr>
<tr>
<td>Written-down Value</td>
<td>1,115,994</td>
<td>804,766</td>
</tr>
<tr>
<td><strong>Office machines and equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>51,759</td>
<td>46,410</td>
</tr>
<tr>
<td>less Accumulated Depreciation</td>
<td>28,237</td>
<td>24,382</td>
</tr>
<tr>
<td>Written-down Value</td>
<td>23,522</td>
<td>22,028</td>
</tr>
<tr>
<td><strong>Total Written-down Value</strong></td>
<td>1,853,369</td>
<td>1,517,823</td>
</tr>
</tbody>
</table>

(a) Depreciation expense by class of assets

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Motor vehicles</strong></td>
<td>52,863</td>
<td>51,889</td>
</tr>
<tr>
<td><strong>Furniture and fittings</strong></td>
<td>90,946</td>
<td>85,846</td>
</tr>
<tr>
<td><strong>EDP equipment</strong></td>
<td>482,648</td>
<td>424,959</td>
</tr>
<tr>
<td><strong>Office machines and equipment</strong></td>
<td>4,795</td>
<td>5,139</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>631,252</td>
<td>567,833</td>
</tr>
</tbody>
</table>
(b) Fixed asset movement by class of assets

<table>
<thead>
<tr>
<th></th>
<th>Motor Vehicle</th>
<th>Furniture &amp; Fittings</th>
<th>EDP Equipment</th>
<th>Office Machines &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Carrying amount at 1 July 2001</td>
<td>458,400</td>
<td>232,629</td>
<td>804,766</td>
<td>22,028</td>
<td>1,517,823</td>
</tr>
<tr>
<td>Additions</td>
<td>269,023</td>
<td>73,497</td>
<td>799,771</td>
<td>7,292</td>
<td>1,149,583</td>
</tr>
<tr>
<td>Disposals</td>
<td>(175,887)</td>
<td>0</td>
<td>(5,895)</td>
<td>(1,003)</td>
<td>(182,785)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(52,863)</td>
<td>(90,946)</td>
<td>(482,648)</td>
<td>(4,795)</td>
<td>(631,252)</td>
</tr>
<tr>
<td>Carrying amount at 30 June 2002</td>
<td>498,673</td>
<td>215,180</td>
<td>1,115,994</td>
<td>23,522</td>
<td>1,853,369</td>
</tr>
</tbody>
</table>

10. Receivables

Receivables comprise building permit levy receipts in relation to permits issued prior to 30 June 2002 and unpaid at that date.

11. Payables

Payables comprise:

<table>
<thead>
<tr>
<th></th>
<th>2002 $</th>
<th>2001 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry creditors and accruals</td>
<td>337,634</td>
<td>289,286</td>
</tr>
<tr>
<td></td>
<td>337,634</td>
<td>289,286</td>
</tr>
</tbody>
</table>

12. Provision for employee entitlements

The total liability at 30 June 2002 for employee entitlements comprised:

<table>
<thead>
<tr>
<th></th>
<th>2002 $</th>
<th>2001 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for long service leave</td>
<td>160,252</td>
<td>71,391</td>
</tr>
<tr>
<td>Provision for annual leave</td>
<td>414,692</td>
<td>308,761</td>
</tr>
<tr>
<td>Provision for contract bonuses</td>
<td>102,814</td>
<td>89,312</td>
</tr>
<tr>
<td>Total current liability</td>
<td>677,758</td>
<td>469,464</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for long service leave</td>
<td>325,361</td>
<td>144,946</td>
</tr>
<tr>
<td>Total non-current liability</td>
<td>325,361</td>
<td>144,946</td>
</tr>
<tr>
<td>Total provisions</td>
<td>1,003,119</td>
<td>614,410</td>
</tr>
</tbody>
</table>
13. Security deposits
Security deposits comprise bonds lodged under Section 22 of the Building Act 1993 to secure complete and satisfactory completion of building works. A further $476,622 (2001 – $532,942) was held in bank guarantees at 30 June 2002.

14. Deferred revenue
Deferred revenue comprises:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees paid in respect of the 2003 year (note 1.4 (b))</td>
<td>910,177</td>
<td>874,356</td>
</tr>
</tbody>
</table>

15. Domestic building list
This represents the amount owed to the Domestic Building List (which operates under the jurisdiction of the Department of Justice) under section 200(5)(b) of the Building Act. During 2001/2002, the sum of $1,084,947 (2001 – $947,145) was paid to the Domestic Building List. The Building Commission partially funds the operation of the Domestic Building List, which resolves contract disputes involving building practitioners registered with the Building Commission.

16. Insurance rescue package
Estimated additional building permit levy collected for the HIH rescue package fund established by State Parliament on 8 June 2001, calculated at the rate of 0.032 cents in every dollar of the cost of domestic building work for which a building permit is sought, payable to the Domestic Building (HIH) Indemnity Fund administered by the Housing Guarantee Fund Ltd.

17. Cooling towers registration
This represents the amount owed to the Department of Human Services, in respect to cooling tower registrations collected by the Building Commission under the Building (Legionella) Act 2000, based on a memorandum of understanding associated with respective functions to be carried out under the Act.
18. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, deposits at call and investments held in short-term bank bills which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and on hand</td>
<td>2,802,151</td>
<td>(348,972)</td>
</tr>
<tr>
<td>Investments</td>
<td>3,486,752</td>
<td>3,985,284</td>
</tr>
<tr>
<td><strong>Cash at the end of the financial year</strong></td>
<td><strong>6,288,903</strong></td>
<td><strong>3,636,312</strong></td>
</tr>
</tbody>
</table>

(b) Reconciliation of net cash provided by operating activities to Result from Ordinary Activities:

<table>
<thead>
<tr>
<th>Result from Ordinary Activities</th>
<th>1,859,772</th>
<th>202,306</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>631,252</td>
<td>567,833</td>
</tr>
<tr>
<td>Loss on sale of equipment</td>
<td>6,064</td>
<td>20,885</td>
</tr>
<tr>
<td>Changes in assets and liabilities :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in creditors and accruals</td>
<td>48,348</td>
<td>(229,228)</td>
</tr>
<tr>
<td>(Increase)/decrease in stock–materials and stores</td>
<td>231</td>
<td>(30,637)</td>
</tr>
<tr>
<td>(Increase)/decrease in levy receivable</td>
<td>(251,901)</td>
<td>(90,000)</td>
</tr>
<tr>
<td>Increase/(decrease) in GST clearing account</td>
<td>206,452</td>
<td>(180,702)</td>
</tr>
<tr>
<td>Increase/(decrease) in domestic building list</td>
<td>(43,512)</td>
<td>24,113</td>
</tr>
<tr>
<td>Increase/(decrease) in employee entitlements</td>
<td>388,709</td>
<td>(41,505)</td>
</tr>
<tr>
<td>Increase/(decrease) in deferred revenue</td>
<td>35,821</td>
<td>(167,022)</td>
</tr>
<tr>
<td>Increase/(decrease) in cooling tower registrations clear</td>
<td>124,070</td>
<td>0</td>
</tr>
<tr>
<td>Increase/(decrease) in insurance rescue package</td>
<td>428,720</td>
<td>50,000</td>
</tr>
<tr>
<td>(Increase)/decrease in net sundry debtors–prosecutions</td>
<td>(127,288)</td>
<td>24,299</td>
</tr>
<tr>
<td>(Increase)/decrease in other sundry debtors</td>
<td>129,485</td>
<td>(182,504)</td>
</tr>
<tr>
<td>(Increase)/decrease in prepaid expenses</td>
<td>80,627</td>
<td>(129,497)</td>
</tr>
<tr>
<td><strong>Net cash provided by / (used in) operating activities</strong></td>
<td><strong>3,516,850</strong></td>
<td><strong>(161,659)</strong></td>
</tr>
</tbody>
</table>

19. Auditors remuneration

Apart from the fee of $11,450 (2001 – $11,000) for the audit of the accounts, the Auditor – General received no other benefits.
20. Financial instruments

(a) Interest rate risk

The Commission’s exposure to interest rate risk and the effective weighted average interest rate for each class of financial instrument is set out below:

<table>
<thead>
<tr>
<th>Fixed interest maturing in: 2001/2002</th>
<th>Floating Interest rate</th>
<th>1 year or less</th>
<th>Non-interest bearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>841,901</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry debtors – prosecutions</td>
<td>279,109</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other sundry debtors</td>
<td>113,053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>3,486,752</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on hand</td>
<td>2,802,151</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accruals</td>
<td>(337,634)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST clearing account</td>
<td>(25,750)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>(1,596,572)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooling towers registration clearing</td>
<td>(124,070)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance rescue package</td>
<td>(478,720)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(910,177)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic building list</td>
<td>(80,174)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.67%</td>
<td>4.62%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed interest maturing in: 2000/2001</th>
<th>Floating Interest rate</th>
<th>1 year or less</th>
<th>Non-interest bearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>590,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry debtors – prosecutions</td>
<td>151,822</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other sundry debtors</td>
<td>242,538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>3,985,284</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on hand</td>
<td>(348,972)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accruals</td>
<td>(289,286)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST clearing account</td>
<td>180,702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposits</td>
<td>(1,487,970)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooling towers registration clearing</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance rescue package</td>
<td>(50,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(874,356)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic building list</td>
<td>(123,686)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>4.80%</td>
<td>4.90%</td>
<td></td>
</tr>
</tbody>
</table>
Notes to and forming part of the Financial Statements
For the year ended 30 June 2002

(b) Credit risk exposures
The credit risk on financial assets of the Commission which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts. The Commission minimises concentrations of credit risk by undertaking transactions with unrelated debtors. The Commission is not materially exposed to any individual debtor.

(c) Net fair values of financial assets
The net fair value of on-balance sheet assets is not materially different to the carrying value of the financial assets.

21. Director related disclosures
In accordance with the directions of the Minister for Finance under the Financial Management Act 1994, the following responsible person and related disclosures are made:

(1) The names of responsible persons of the reporting entity during the 2001/2002 financial year as defined by the Minister of Finance’s directions under the Financial Management Act were:
   - The Hon. John Thwaites MLA – Minister for Planning (1 July 2001 – 11 February 2002)
   - Tony Arnel – Commissioner/Accountable Officer

(2) Remuneration received or receivable by the Accountable Officer in connection with the management of the Commission during the reporting period was in the range:
   - $200,000 – 209,999 (2001 – $180,000 – 189,000)
   - No retirement benefits were paid/payable to the Accountable Officer during the year.

(3) There were no loans to responsible persons in existence as at 30 June 2002.

(4) There were no transactions between responsible persons or entities associated with responsible persons and the reporting entity during the 2001/2002 financial year.

(5) Six other executives received remuneration in excess of $100,000 in the followings ranges:
   - $100,000 – 109,999: – 2
   - $110,000 – 119,999: – 3
   - $120,000 – 129,999: – 1
22. Events occurring after balance date
No events occurred after balance date, which would render the financial statements misleading or inaccurate.

23. Contingent receivable/court costs
On 16 November 2001, the Melbourne Magistrates Court fined Burbank Australia Pty. Ltd., trading as Burbank Homes, $150,000 with $80,000 awarded against it in costs. On 17 December 2001, Burbank’s solicitors lodged an appeal against the judgment to be heard in the County Court commencing 4 February 2003. As a result of the appeal, no revenue pertaining to the matter has been disclosed in the Commission’s financial statements for 2001/2002. In considering the financial impact of possible appeal outcomes, advice from the Commission’s Internal Auditors and Solicitors indicates the appeal could result in revenue of up to $293,000 if the appeal is dismissed and the awarding of costs against the Commission if the appeal is upheld in full of up to $325,000.

24. Leasing commitments
Lease commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities payable are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>836,116</td>
<td>351,419</td>
</tr>
<tr>
<td>Later than one year but not later than 5 years</td>
<td>3,505,800</td>
<td>43,928</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>109,557</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total lease commitments</strong></td>
<td><strong>4,451,473</strong></td>
<td><strong>395,347</strong></td>
</tr>
</tbody>
</table>
Acronyms used in this report include:

**ABCB** Australian Building Codes Board

**ABS** Australian Bureau of Statistics

**AIBS** Australian Institute of Building Surveyors

**AIRAH** Australian Institute of Refrigeration, Air-conditioning and Heating

**AMCA** Air-conditioning and Mechanical Contractors’ Association of Australia Limited

**BAB** Building Appeals Board

**BAC** Building Advisory Council

**BAPC** Building Access Policy Committee

**BCA** Building Code of Australia

**BDAV** Building Designers Association of Victoria

**BPB** Building Practitioners Board

**BRAC** Building Regulations Advisory Committee

**BRANZ** Building Research Association of New Zealand

**CA** Consumer Affairs Victoria

**CFA** Country Fire Authority

**CRC** Cooperative Research Centre

**CSIRO** Commonwealth Scientific & Industrial Research Organisation

**CTAG** Cooling Tower Advisory Group

**DOI** Department of Infrastructure

**DTF** Department of Treasury & Finance

**ETTA** East Timorese Transitional Administration

**HIA** Housing Industry Association

**IDC** Interdepartmental Committee

**IE AUST** Institution of Engineers, Australia

**MAV** Municipal Association of Victoria

**MBAV** Master Builders Association of Victoria

**MBS** Municipal Building Surveyor

**MBSG** Municipal Building Surveyors Group

**MFESB** Metropolitan Fire and Emergency Services Board

**PIC** Plumbing Industry Commission

**PCA** Property Council of Australia

**RIB** Regulatory Information Bulletin

**RAIA** Royal Australian Institute of Architects

**SUT** Swinburne University of Technology

**VLGA** Victorian Local Governance Association

**VUT** Victorian University of Technology
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Major locations and contact information

Melbourne
Level 27, Casselden Place
2 Lonsdale Street
Melbourne Victoria 3000
Australia
PO Box 536E
Melbourne Victoria 3001
Australia
Telephone +61 3 9285 6400
Facsimile +61 3 9285 6464

Sale
317 York Street
Sale Victoria 3850
Australia
Telephone +61 3 5143 3024
Facsimile +61 3 5143 3027

Wangaratta
1 White Street
Wangaratta Victoria 3677
Australia
Telephone +61 3 5721 4865
Facsimile +61 3 5722 9074

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