

The logo for the Victorian Auditor-General's Office (VAGO) is displayed in a bold, blue, sans-serif font. The letters 'V', 'A', and 'G' are significantly larger than the 'O's, creating a distinctive, stylized appearance.

VAGO

Victorian Auditor-General's Office

The background of the cover is a photograph of a building's interior during construction. The walls and ceiling are made of light-colored wooden studs and joists. Some areas are covered with clear plastic sheeting, likely for insulation or protection. The floor is a plain, light-colored concrete. A dark blue, semi-transparent geometric shape is overlaid on the right side of the image, containing the title and other text.

Domestic Building Oversight Part 1: Regulation

November 2023

Independent assurance report to Parliament
2023–24: 4

This report is printed on Monza Recycled paper. Monza Recycled is certified Carbon Neutral by The Carbon Reduction Institute (CRI) in accordance with the global Greenhouse Gas Protocol and ISO 14040 framework. The Lifecycle Analysis for Monza Recycled is cradle to grave including Scopes 1, 2 and 3. It has FSC Mix Certification combined with 99% recycled content.

ISBN 978-1-921060-67-0

Domestic Building Oversight Part 1: Regulation

Independent assurance report to Parliament
Published by order, or under the authority,
of the Parliament of Victoria
November 2023

The Hon Shaun Leane MLC
President
Legislative Council
Parliament House
Melbourne

The Hon Maree Edwards MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Domestic Building Oversight Part 1: Regulation*.

Yours faithfully



Andrew Greaves
Auditor-General
1 November 2023

The Victorian Auditor-General's Office (VAGO) acknowledges the Traditional Custodians of the lands and waters throughout Victoria. We pay our respects to Aboriginal and Torres Strait Islander communities, their continuing culture, and to Elders past and present.

Contents

Review snapshot	1
Our recommendation	2
What we found	3
Key finding 1: VBA has started to address recommendations to become a better regulator, but there is a long way to go.....	4
Key finding 2: VBA does not consistently monitor and report its progress against all targets and recommendations.....	5
1. Review context	6
The Victorian building sector.....	6
Recent reviews that included VBA.....	7
2. VBA’s progress so far	9
VBA’s overall progress.....	9
Supporting staff wellbeing.....	10
Ensuring compliance and enforcing standards.....	10
Promoting good practices across the sector.....	12
Modernising information and data systems.....	13
Ensuring financial sustainability.....	14
3. Monitoring and reporting on progress	15
VBA does not consistently monitor and report on all targets and recommendations.....	15
VBA’s progress reports against the 2021–23 SOE were not clear.....	16
VBA has not identified risks to each target and recommendation.....	16
VBA has a plan to evaluate its overall progress.....	17
VBA is reviewing its board and executive team’s governance.....	17
Appendices	18

Review snapshot

What we examined

We assessed if the Victorian Building Authority (VBA) is effectively responding to recent recommendations to improve its performance to meet contemporary standards for a best-practice regulator.

Why this review is important

VBA regulates the building and plumbing industries. Its job is to make sure buildings across Victoria are safe, well designed and meet standards.

However, VBA did not meet all the government's performance targets for 2021–23. And 3 separate reviews made 48 recommendations for VBA to improve its performance.

We did this limited assurance review to assess VBA's progress in meeting the targets and actioning recommendations from these reviews.

What we concluded

Nothing came to our attention to indicate that VBA is not responding to recommendations to improve its performance.

VBA has completed 5 recommendations. And it is working on 31. But as of October 2023 VBA still has a significant amount of work to do to become a best-practice regulator.

VBA does not consistently monitor and report its progress against all targets and recommendations. This means it cannot be sure it is making all the improvements.

What we recommended

We made one recommendation for VBA to consistently monitor its progress against all targets and recommendations to improve its performance.

[→ Full recommendation](#)

Key facts and findings



In 2021–22, the construction industry contributed **\$38.1 billion** to Victoria's economy*



Building and construction employs nearly **10%** of Victoria's workforce*



14 performance targets that the Minister for Planning set for VBA in 2021–23

met

6

partially met

3

not met

5



3 separate reviews — **48** recommendations for VBA

completed

5

made progress on

31

not started on

12

Note: *Based on the Australian Bureau of Statistics.
Source: VAGO.

Our recommendation

We made one recommendation to address one key issue. The Victorian Building Authority has accepted this recommendation in principle.

Key issue and corresponding recommendation	Agency response
Issue: The Victorian Building Authority does not consistently monitor and report its progress against all targets and recommendations	
Victorian Building Authority	<p>1 Set up a system to consistently monitor its progress against all targets and recommendations to improve its performance.</p> <p>The Victorian Building Authority should use this system to:</p> <ul style="list-style-type: none">• monitor its progress against each target and recommendation• identify and address risks specific to each target and recommendation• regularly report its progress against all targets and recommendations to its board• regularly report its progress against all targets to the public, as the government requires (see Section 3).

What we found

This section summarises our key findings. Sections 2 and 3 detail our complete findings, including supporting evidence.

When reaching our conclusions, we consulted with the audited agencies and considered their views. The agencies' full responses are in Appendix A.

Why we did this review The Victorian Building Authority (VBA) was set up in 2013 to regulate the building and plumbing industries. It plays a central role in making sure buildings and homes across the state are safe. Its job includes:

- registering, licensing and disciplining builders and plumbers
- inspecting building and plumbing work to make sure it meets relevant quality and safety standards.

Since 2021, 3 separate reviews have made recommendations for VBA to improve:

- how it targets inspections to focus on higher-risk buildings
- its workplace culture
- its information and data systems to help it become a better regulator.

Targets and recommendations for VBA

We assessed VBA's progress against 48 recommendations it received between September 2022 and May 2023 to improve its performance.

Figure 1 lists where the recommendations are from and when VBA or the government accepted them.

Figure 1: Recommendations for VBA

Source of recommendations	Number of recommendations	When they were accepted
Stage One Final Report to Government: Expert Panel on Building Reform (Stage One Report)	9*	May 2023
Better Regulation Victoria's VBA health check	30	October 2022
VBA board's independent inquiry into workplace culture (independent inquiry)	9	<ul style="list-style-type: none"> • September 2022 (from first report) • March 2023 (from second report)

Note: *The Stage One Report made 16 recommendations to the entire building sector, not just VBA. We looked at 9 specific parts of the 16 recommendations that were for VBA and possible to action without sector-wide reform.

Source: VAGO based on the Stage One Report, Better Regulation Victoria's VBA health check and the independent inquiry.

We also assessed VBA's progress against 14 performance targets from the Minister for Planning's *Statement of Expectations for Victorian Building Authority 2021–23* (2021–23 SOE).

Statement of expectations

A statement of expectations is a formal public statement made by the responsible minister to a regulator. These statements give the regulator clear guidance on the government's strategic priorities in its area.

Our key findings Our findings fall into 2 areas:

1	VBA has started to address recommendations to become a better regulator, but there is a long way to go.
2	VBA does not consistently monitor and report its progress against all targets and recommendations.

Key finding 1: VBA has started to address recommendations to become a better regulator, but there is a long way to go

Progress against recent reviews VBA told us it is committed to addressing all the recommendations. It has:

- already completed 5
- started working on 31
- not started 12.

This is good progress given VBA only got some recommendations as recently as May 2023. But it still has a lot of work to do because the remaining recommendations involve major changes.

Progress against the 2021–23 SOE VBA only fully met 6 of the 14 2021–23 SOE targets. It partially met 3 and did not meet 5. It also did not meet the Minister for Planning's requirements to publicly report its progress. VBA is in a better position to meet the next statement of expectations because it has made good progress on recommendations to become a better regulator. VBA told us it expects to receive its next statement of expectations in October 2023.

Examples of work VBA still needs to do Despite its recent progress, VBA still has a lot of work to do to become a best-practice regulator. Some examples of significant changes it still needs to make are:

- setting up a risk-based building inspection program that targets high-risk buildings and construction sites
- improving how it communicates with builders and plumbers to make them more aware of common issues across the sector and how to avoid them
- upgrading its outdated information and data systems to help it track and manage inspections and complaints.

Key finding 2: VBA does not consistently monitor and report its progress against all targets and recommendations

Monitoring progress

VBA does not consistently monitor its progress against all the targets and recommendations. And it has not identified specific risks to completing each of them.

Consistently tracking its progress against all the targets and recommendations would:

- give VBA a better overall picture of its progress and what it still needs to do
 - allow VBA to accurately report its progress to internal and external stakeholders
 - help VBA understand the risks it needs to manage to successfully improve its performance.
-

Public reporting issues

The Minister for Planning required VBA to report its progress against all the 2021–23 SOE targets in its annual reports. But we found it did not do this.

This means VBA has not been transparent about its progress against the SOE targets with the public.

VBA's new evaluation framework

VBA has developed an evaluation framework for its 2022–27 strategic plan.

This is a positive step towards improving how it tracks its performance.

But it is not clear if VBA will use this framework to monitor and report its progress against all the targets and recommendations.

1.

Review context

The Victorian Government set up VBA to regulate the building and plumbing industries. Since April 2021, 3 reviews, including one that covered the whole building sector, have made 48 recommendations on how VBA could improve its performance.

The Victorian building sector

What VBA does VBA is the main regulator for the building and plumbing industries in Victoria. Councils also have a role in enforcing standards.

VBA is responsible for:

- registering, licensing and disciplining builders and plumbers
- inspecting building and plumbing work
- managing complaints
- investigating, auditing and enforcing compliance with the *Building Act 1993*, *Building Regulations 2018* and *Plumbing Regulations 2018*
- overseeing building surveyors' work and Victoria's building permit system
- doing statewide cladding audits with Cladding Safety Victoria to identify buildings with combustible cladding.

VBA's structure VBA's board governs VBA and makes sure it is an effective regulator. It is directly accountable to the Minister for Planning.

Under the *Building Act 1993*, the board consists of:

- a chief commissioner
- a deputy chief commissioner
- at least 3 other commissioners.

The board, with the approval of the minister, appoints VBA's CEO. The CEO is responsible for VBA's operations and performance and is accountable to the board.

VBA's leadership change VBA's new CEO started on 3 July 2023.

The new CEO was the previous Commissioner for Better Regulation and Red Tape Commissioner. They also chaired the expert panel for the building system review.

Department of Transport and Planning The Department of Transport and Planning advises the Minister for Planning on legislation, regulation and policies associated with Victoria's building sector.

The former Department of Environment of Land, Water and Planning played this role before machinery-of-government changes on 1 January 2023.

Recent reviews that included VBA

Timeline

Figure 2 shows a timeline of events relating to the recent reviews that involved VBA.

Figure 2: Events relating to the recent reviews that involved VBA



Source: VAGO.

Statement of expectations

The Minister for Planning issued the 2021–23 SOE on 26 September 2021. It was effective from the date the minister issued it to 30 June 2023.

The statement required VBA to:

- meet 14 performance targets
- report its progress against all targets in its annual report.

VBA told us it expects to get its next statement of expectations in October 2023.

Expert panel on building system review, stage one

In December 2019, the Victorian Government appointed an expert panel to review how it regulates the building sector.

The review aimed to outline potential improvements to the sector's legal frameworks.

The Victorian Government published the Stage One Report in March 2023.

The Stage One Report made 16 recommendations to the government. We identified 9 parts of these recommendations that:

- are directed at VBA
- VBA can implement without legislative reform.

One of these recommendations is specifically for the government to ‘actively support the improvement of the VBA’s capacity so that it is a contemporary best practice regulator’.

The government accepted all the recommendations in May 2023. But it has not publicly released a response to its findings.

VBA’s independent inquiry

In May 2022, VBA’s board commissioned the independent inquiry into VBA’s workplace culture.

The independent inquiry made 2 reports:

- The inquiry finished the first report in September 2022.
- The inquiry finished the second report in March 2023.

The independent inquiry made 9 recommendations, which VBA accepted.

Better Regulation Victoria’s VBA health check

Better Regulation Victoria is part of the Department of Treasury and Finance. Its role is to make sure regulators work in the best way possible.

Better Regulation Victoria did a health check of VBA in 2022. It compared VBA’s performance against its best-practice guide for regulators – *Towards Best Practice*.

Better Regulation Victoria finished its final report in October 2022. It made 30 recommendations, which VBA accepted.

2.

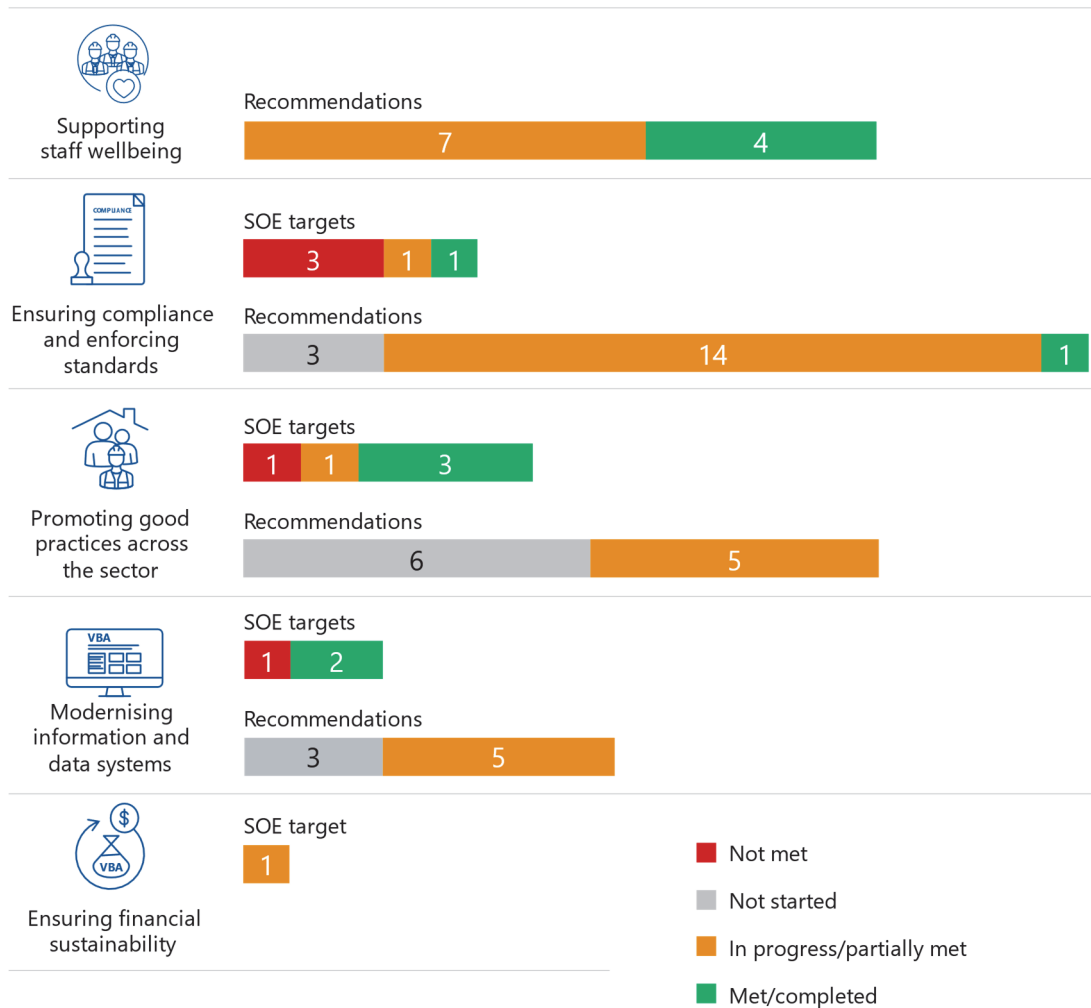
VBA's progress so far

VBA is committed to improving its performance. It has completed 5 recommendations from the 3 reviews and has started addressing 31. But the scale of improvements it still needs to make is significant.

VBA's overall progress

VBA's progress by theme We grouped the 14 SOE targets and 48 recommendations into 5 themes. Figure 3 shows VBA's overall progress by theme.

Figure 3: VBA's overall progress against the 5 themes



Note: See appendices D to F for a list of all SOE targets and recommendations from the Stage One Report and Better Regulation Victoria's VBA health check. The appendices also outline VBA's progress against the targets and recommendations. Source: VAGO.



Supporting staff wellbeing

Progress summary

VBA has a responsibility to provide a safe workplace for its staff. A positive workplace culture is also important to ensure VBA can effectively and efficiently deliver its regulatory services.

VBA is improving its workplace culture. It has made significant improvements in response to the independent inquiry's 9 recommendations.

Despite only getting the recommendations in late 2022 and early 2023, it has already completed 4 and started the other 5.

VBA ...	We found ...
<ul style="list-style-type: none"> has reviewed how it used non-disclosure agreements and separation deeds in the last 5 years. has revised its non-disclosure policy to say it will not use them in cases of bullying, sexual harassment and assault. 	<p>VBA did not release former staff from non-disclosure agreements and separation deeds.</p> <p>But the independent inquiry did not recommend that VBA change past agreements.</p>
developed a new Integrity Framework in June 2023.	the framework links to VBA's Conflict of Interest Policy. And it has useful information about how VBA will manage real, potential and perceived conflicts of interest.
developed an assessment tool to help manage workloads, in line with a recommendation from Better Regulation Victoria's health check.	this tool will allow VBA to better understand and manage staff workloads.



Ensuring compliance and enforcing standards

Key issues and improvements

It is important that VBA:

- inspects buildings and construction to make sure they comply with relevant quality and safety standards
- makes sure builders and plumbers meet quality and safety standards.

Recent reviews found VBA was not a best-practice regulator because it was not consistently targeting its inspections based on risk to the community.

The table below summarises the key findings and improvements in this area from the reviews.

The reviews found ...	And VBA needed to ...
<p>the 2021–23 SOE had a target for VBA to inspect 10 per cent of new buildings.</p> <p>The target presented a challenge for the VBA to implement a risk-based inspection program. Instead of focusing on higher-risk buildings, VBA prioritised less complex inspections to meet the target.</p>	<p>improve its audit and inspection processes, including:</p> <ul style="list-style-type: none"> • developing an approach that considers a building’s risk level • keeping a record of builders and plumbers who may not be meeting quality and safety standards.
<p>VBA’s enforcement priorities were unclear and did not focus on addressing the greatest risks of harm to the community.</p>	<p>develop policies and procedures that clearly outline VBA’s enforcement priorities.</p>
<p>both VBA and councils can enforce regulations under the <i>Building Act 1993</i>. But it was not always clear who should act.</p>	<p>finalise an agreement with councils to clarify their roles and responsibilities to avoid duplication.</p>

Progress summary

VBA has started to address recommendations to make sure builders and plumbers comply with quality and safety standards.

VBA started most of this work recently because it got most of the recommendations from late 2022.

This means VBA still needs to make significant changes in this area to become a best-practice regulator.

VBA has ...	We found ...
<p>made 2 dashboards to track builders and plumbers who consistently do not meet quality and safety standards.</p>	<p>the dashboards will help VBA better identify builders and plumbers who pose a risk to the community.</p> <p>But for the dashboards to do this accurately VBA needs to address its underlying data collection issues, which the reviews also identified.</p>
<p>started to revise its Compliance and Enforcement Policy.</p>	<p>its new policy is still a draft. So it is too early to assess if it will improve VBA’s practices.</p>
<p>started working with councils and the Department of Transport and Planning to clarify its responsibilities and councils’ responsibilities.</p>	<p>VBA is taking part in a working group led by the Department of Transport and Planning. But the department has not finalised an agreement with councils yet.</p>

Virtual inspections

In May 2023, the media reported concerns over VBA using technology, including iPhones, to remotely inspect buildings and construction sites after the COVID-19 pandemic.

We found that VBA got and followed legal advice to do this. VBA had to keep inspecting buildings during the pandemic while protecting its staff and following public health requirements.

VBA told us that it only used virtual inspections for some low-risk plumbing inspections and had not used virtual inspections for mandatory or proactive building inspections.



Promoting good practices across the sector

Key issues and improvements

Recent reviews found VBA was not:

- effectively communicating with builders and plumbers to help them improve their work and comply with their legal obligations
- promoting positive behaviour and good practice across the building and plumbing industries.

The below table summarises the key findings and improvements in this area from the reviews.

The reviews found ...	And VBA needed to ...
builders and plumbers did not engage with VBA's written inspection results or its reporting on broader sector issues.	communicate with builders and plumbers better so they understand common issues and how to avoid them.
VBA was missing opportunities to educate practitioners when consumers found defects in their building work.	work with builders to fix defects, including by: <ul style="list-style-type: none"> • educating builders and plumbers to improve their understanding of building regulations • allowing builders and plumbers to use alternative construction methods or materials that also meet requirements.

Progress summary

VBA has started to address these issues. But its progress has been slow. VBA did not fully meet 2 of 5 2021–23 SOE targets in this area. And it has not started 6 recommendations from Better Regulation Victoria's health check.

VBA ...	We found ...
has not started Better Regulation Victoria's recommendations to improve how it communicates with stakeholders, including builders and plumbers, about its enforcement priorities, standards and outcomes.	these recommendations were recent. VBA accepted them in October 2022. But they are critical to making sure builders and plumbers meet relevant quality and safety standards.
delivered 17 public webinars on building and plumbing standards in 2021–23	on average, over 700 builders and plumbers attended each webinar in 2022–23. VBA evaluated the webinars. It found that most attendees thought they were informative and helpful.
has started to develop an online identity verification process for builders and plumbers to improve cybersecurity and user experience.	VBA has committed to finish digitising its systems in 2024–25. But it is unclear how it is assessing if changes have improved builders', plumbers' and consumers' experience of interacting with VBA.



Modernising information and data systems

Key issues and improvements Recent reviews found VBA's information and data systems were too outdated to meet the needs of a contemporary regulator. This is because they did not let VBA:

- use data to track emerging risks to the community
- monitor and report on its enforcement activity, such as inspection results
- effectively communicate with builders and plumbers.

The table below summarises the key findings and improvements in this area from the reviews.

The reviews found ...	And VBA needed to ...
staff manually made internal reports on VBA's enforcement activity. This made reporting time-consuming and prone to errors.	<ul style="list-style-type: none"> • digitise and streamline its enforcement processes • define what data it needs so it can start collecting it.
VBA did not have a system to easily manage consumer complaints and track inspection results.	invest in its information technology systems so it can track and manage all inspections and complaints from start to finish.
VBA did not have a system to record and collate the written advice it gives builders and plumbers on inspection results.	develop a secure online portal that builders and plumbers can use to access this advice.

Progress summary VBA has started using its data better. For example, it has made dashboards to track staff workloads and high-risk builders and plumbers.

But it has not made significant progress in digitising its enforcement processes.

VBA ...	We found ...
has started to identify the data it needs to properly monitor its activities.	as of August 2023 it has not finished this work. Without good-quality data, VBA will not be able to tell if its overall performance is improving.
established a data office in 2021–22.	this will allow VBA to focus on improving how it collects and uses data.
started making an online portal so builders and plumbers can take their registration exams online. Builders and plumbers need to pass these exams before they can provide services to the community.	VBA expects to complete this by October 2023.



Ensuring financial sustainability

Key issues and improvements

VBA relies on registration fees that builders and plumbers pay to fund its work. To be sustainable VBA needs to:

- set fees that cover all the costs associated with its regulatory activities
- do its work efficiently to get the most out of available funding.

But the Stage One Report noted that VBA was struggling to sustainably fund its regulatory activities, including inspections.

VBA also told us that it sees a lack of resources as a barrier to actioning recommendations from the recent reviews.

Progress summary

The 2021–23 SOE required VBA to review registration fees and comply with all the Victorian Government's procurement requirements.

We found that VBA partially met this target because it reviewed registration fees but did not comply with 2 of the Victorian Government's 18 procurement requirements. It did not:

- have plans to manage all contracts
 - monitor when its contractors' insurance expired during the work they were doing for VBA. This meant VBA could not ask them to renew it.
-

3.

Monitoring and reporting on progress

VBA does not consistently monitor its progress and risks for each target and recommendation. This means its board does not:

- have a full picture of all the changes VBA needs to make
- know if VBA is on track to make these changes.

VBA recently developed a framework to track progress against its 2022–27 strategic plan, which includes some targets and recommendations. But it is not clear if or how VBA will use this framework to monitor and report on all of them.

VBA does not consistently monitor and report on all targets and recommendations

Separate monitoring and reporting processes

VBA separately monitors and reports its progress against the targets and recommendations.

It monitors and reports its progress against ...	To its ...
the 2021–23 SOE targets	<ul style="list-style-type: none"> • board • regulatory operations committee, which is a board subcommittee.
the independent inquiry recommendations	<ul style="list-style-type: none"> • board • independent inquiry committee, which is a board subcommittee.
its 2022–27 strategic plan, which includes recommendations from Better Regulation Victoria's health check	board.
the Stage One Report's recommendations	regulatory reform committee.

The board is responsible for making sure VBA is an effective regulator. But it does not get a consolidated report that outlines:

- all the changes VBA needs to make to become a better regulator
- if VBA is on track to make all the changes
- any significant risks associated with VBA making these changes.

This means it is difficult for the board to:

- oversee VBA's improvements
- make sure VBA accurately reports its progress to internal and external stakeholders.

VBA's progress reports against the 2021–23 SOE were not clear

Public transparency

The Minister of Planning required VBA to report its progress against all the 2021–23 SOE targets in its annual reports. The minister said VBA's annual reports should outline:

- VBA's starting point for each target
- what VBA is doing to meet each target.

But VBA did not meet these requirements. This is because its 2021–22 annual report:

- did not clearly outline the targets
- did not include VBA's starting point for all the targets
- only reported its progress against one target.

This means VBA has not been transparent about its progress against the SOE targets with the public. However, VBA told us that it would include specific reference to the 2021–23 SOE in its 2022–23 annual report.

Accuracy of reports

We found differences between VBA's internal reporting and our assessment of VBA's progress.

In January 2023, the board received a report that said there were minor risks of VBA not meeting 3 of the 14 targets by 30 June 2023.

But in September 2023, VBA told us it did not fully meet 4 targets. And our assessment of the information VBA gave us indicates that it did not meet 5 targets and only partially met 3.

This means the progress report VBA gave its board did not accurately outline the risk that it would not meet more of the targets.

See Appendix D For more detailed information about these targets.

VBA has not identified risks to each target and recommendation

Identifying and linking risks

VBA has not identified risks to specific targets and recommendations. Instead, it told us about 4 organisation-wide risks that could affect its progress:

- It may not have enough resources to make all the improvements.
- It is not sure if future building sector reforms will lead to more changes.
- The scale of the improvements it needs to make is significant.
- Many of the improvements depend on each other, so if one change does not happen or is not effective it may impact others.

VBA has not linked these risks to individual targets and recommendations. This limits its ability to:

- understand how significant the risks are for specific targets and recommendations
 - fairly and accurately report on the targets and recommendations it can or cannot complete
 - develop achievable strategies to address the risks.
-

Improving VBA's risk management system

VBA met its 2021–23 SOE target to improve its risk management system. VBA told us it is working to further improve it and expects to finish this work by March 2024. For example, VBA is:

- working to include risk assessments in all its systems and processes
 - seeking guidance and support from relevant public sector agencies, such as the Victorian Managed Insurance Authority.
-

VBA has a plan to evaluate its overall progress

Evaluation framework

In February 2023, VBA developed an evaluation framework for its 2022–27 strategic plan. A key part of this plan is to improve its performance as a regulator.

The framework outlines how VBA will consistently evaluate its progress. But it is not clear if it will use this framework to monitor and report its progress against all the targets and recommendations.

Gaps in the framework

VBA's evaluation framework is a positive step towards coordinating how it monitors and reports its performance. But we found gaps in the framework:

According to the Victorian Government's ...	But VBA's evaluation framework does not:
<i>Resource Management Framework</i> , an agency should: <ul style="list-style-type: none">• specify its goals, inputs and outputs• set performance measures and targets• report on performance.	<ul style="list-style-type: none">• define the inputs and outputs that contribute to VBA achieving its goals• clearly outline the measures and data VBA will use to assess its performance.
<i>Data Quality Guideline</i> , an agency should maintain and improve the quality of its data.	outline how it will improve the quality of its data.

VBA told us it is developing an evaluation plan to go with the framework. This plan may address some of these gaps.

VBA is reviewing its board and executive team's governance

Board and executive team review

In June 2023, VBA started a review to assess if its board and executive team have effective processes, policies, practices and structure.

The review also assessed VBA's progress against past recommendations from a similar review in 2021, which an external firm conducted.

VBA's board approved an internal review of its effectiveness for 2023. VBA told us it is not required to use an external firm to do this.

Appendices

[Appendix A: Submissions and comments](#)

[Appendix B: Abbreviations, acronyms and glossary](#)

[Appendix C: About this limited assurance review](#)

[Appendix D: Progress against 2021–23 SOE targets](#)

[Appendix E: Progress against selected Stage One Report recommendations](#)

[Appendix F: Progress against Better Regulation Victoria's VBA health check recommendations](#)

Appendix A:

Submissions and comments

We have consulted with the Victorian Building Authority and the Department of Transport and Planning, and we considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses received

Agency	Page
Victorian Building Authority	A-2
Department of Transport and Planning	A-4



Goods Shed North
733 Bourke Street, Docklands
Victoria, Australia 3008

PO Box 536, Melbourne
Victoria, Australia 3001

P: 1300 815 127
W: vba.vic.gov.au

DX 210 299 Melbourne

12 October 2023

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

DOMESTIC BUILDING OVERSIGHT PART 1: REGULATION

Thank you for your letter attaching the *Proposed Performance Engagement Report: Domestic Building Oversight Part 1: Regulation*, and providing the VBA with the opportunity to respond.

I was pleased to note the conclusion that the VBA has made good progress in addressing the recommendations from the reviews considered in the report, given that the VBA only received some of the recommendations as recently as May 2023. We are conscious that there is still more work to do, and we are committed to implementing the recommendations from the various reviews so that the VBA continues to improve as a trusted regulator.

I note that the VBA's 2021/22 Annual Report outlined progress against the Minister's Statement of Expectations throughout the report, rather than in a single place. We felt that this was in keeping with the overall form of the Annual Report, which was structured around the pillars in the VBA's Strategic Plan. As you have noted, the VBA will be including a specific table on the Statement of Expectations in its 2022/23 Annual Report.

The VBA accepts in principle the report's single recommendation to set up a system to consistently monitor its progress against all targets and recommendations to improve its performance. As noted in the report, currently the VBA separately monitors and reports to the VBA Board on progress against the targets and recommendations via the relevant Board committees. The Board has asked management to create a consolidated report, which will be considered by the Board at appropriate intervals.

Yours sincerely



Justin Madden AM
Interim Chief Commissioner

Response provided by the Interim Chief Commissioner, VBA – continued

OFFICIAL: Sensitive

Victorian Building Authority action plan to address the recommendation from *Domestic Building Oversight Part 1: Regulation*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Set up a system to monitor its progress against all targets and recommendations that aim to improve its performance.</p> <p>The Victorian Building Authority should use this system to:</p> <ul style="list-style-type: none"> • monitor its progress against each target and recommendation • identify and address risks specific to each target and recommendation • regularly report its progress against all targets and recommendations to its board • regularly report its progress against all targets to the public, as the government requires. 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	<p>VBA management will prepare a consolidated report on progress against the targets and recommendations, for consideration by the Board at appropriate intervals. The consolidated report is to be based on the separate reports currently reviewed by the relevant Board Committees.</p>	<p>Ongoing</p>

Response provided by the Secretary, Department of Transport and Planning



Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-23-4332

Mr Andrew Greaves
Auditor-General of Victoria
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

Victorian Auditor-General's Office - Domestic Building Oversight Part 1: Regulation - Proposed report

Thank you for your letter of 3 October 2023 enclosing the proposed report *Domestic Building Oversight Part 1: Regulation*.

The Department of Transport and Planning (DTP) acknowledges the conclusion of the Report that the Victorian Building Authority (VBA) has started to address recommendations from recent reviews with the aim of becoming a better regulator.

The Department notes the recommendation raised by your office for the VBA to consistently monitor and report its progress against all targets and recommendations to improve its performance.

DTP recognises the important role that the VBA plays in regulating Victoria's building and plumbing industries, ensuring safe and sustainable places and communities. Thank you for the opportunity to comment on the report.

Yours sincerely



Paul Younis
Secretary
Department of Transport and Planning

10 October 2023



Appendix B: Abbreviations, acronyms and glossary

Abbreviations We use the following abbreviations in this report:

Abbreviation

2021–23 SOE	<i>Statement of Expectations for Victorian Building Authority 2021–23</i>
independent inquiry	VBA board's independent inquiry into workplace culture
Stage One Report	<i>Stage One Final Report to Government: Expert Panel on Building Reform</i>

Acronyms We use the following acronyms in this report:

Acronym

VAGO	Victorian Auditor-General's Office
VBA	Victorian Building Authority

Glossary This glossary includes an explanation of the types of engagements we perform:

Term

Reasonable assurance	We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to express an opinion or draw a conclusion against an audit objective with a high level of assurance. We call these audit engagements. See our assurance services fact sheet for more information.
Limited assurance	We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements assurance reviews and typically express our opinions in negative terms. For example, that nothing has come to our attention to indicate there is a problem. See our assurance services fact sheet for more information.

Appendix C:

About this limited assurance review

Review objective To determine if VBA is effectively responding to recent recommendations to improve its performance to meet contemporary standards for a best-practice regulator.

Review scope To form our conclusion against the review objective we addressed the following criteria:

- Has VBA identified, planned and prioritised actions to meaningfully address the recommendations from relevant reviews?
- Is VBA identifying risks, barriers and appropriate mitigation strategies associated with addressing recommendations from relevant reviews?
- Is VBA monitoring and reviewing its progress in addressing recommendations from relevant reviews?

We did not assess the basis for the recommendations from the recent reviews and the circumstances that led to those reviews.

Agencies we included in this review We included the following agencies in our review:

Agency	Key responsibilities
VBA	VBA is the statutory authority to promote efficient and competitive building and plumbing industries in Victoria. Specifically, its role is to: <ul style="list-style-type: none">• register, license and discipline building practitioners• inspect building and plumbing work• manage complaints about building and plumbing work• investigate, audit and enforce compliance with the <i>Building Act 1993</i>, <i>Building Regulations 2018</i> and the <i>Plumbing Regulations 2018</i>• oversee building surveyors' work and Victoria's building permit system• do statewide cladding audits with Cladding Safety Victoria to identify the extent of noncompliant combustible cladding in Victoria.

Department of Transport and Planning The Department of Transport and Planning's building division advises the Victorian Government on legislation, regulations and policies associated with the building sector.

The scope of our review did not include the Department of Transport and Planning. We only examined VBA.

Our methods As part of this review we:

- got attestations from VBA on its progress against all the targets and recommendations
- assessed VBA's progress in implementing the targets and recommendations, including by collecting relevant evidence.

Compliance

We conducted our review in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain limited assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

We also provided a copy of the report to the Department of Premier and Cabinet and the Department of Treasury and Finance.

Cost and time

The full cost of the review and preparation of this report was \$325,000.

The duration of the review was 6 months from initiation to tabling.

Appendix D: Progress against 2021–23 SOE targets

Figure D1 lists the 2021–23 SOE targets. It also outlines VBA’s attested status against them and our assessment.

Figure D1: VBA’s progress against the 2021–23 SOE targets

No.	Target	VAGO theme	VBA’s attested status	VAGO’s assessed status*	Comments
1	By June 2023, processing 80 per cent of building registration decisions within 45 business days of receipt for the period from 1 July 2021 to 30 June 2022, with further improvements to be delivered in the following year. Enhanced timeliness for building and plumbing registrations to be reported annually.	Ensuring compliance and enforcing standards	Met	Met	
2	By June 2023, deliver a secure online examination portal to enable practitioners and applicants to do desktop exams remotely. Online exams for all relevant building and plumbing assessments delivered by 30 June 2022.	Modernising information and data systems	Met	Not met	VBA told us that it expects to meet this target by the end of October 2023.
3	By June 2023, enhance the digital experiences of practitioners and consumers by progressing VBA’s digital transformation of regulatory processes and online interfaces. The progress indicators are: <ul style="list-style-type: none"> Practitioner and customer online interactions increasing 10 per cent annually, with a baseline established by June 2022. User experience with digital technology improved because of the Building Systems Technology Roadmap delivery. 	Promoting good practices across the sector	Partially met	Partially met	VBA increased the practitioner and customer online interactions by an average of 17.6 per cent from July 2022 to April 2023. However, VBA has not established an indicator for measuring user experience with digital technology.
4	By June 2023, proactively inspect and monitor building works underway. Target: <ul style="list-style-type: none"> inspect at least 10 per cent of new building permits. 	Ensuring compliance and enforcing standards	Not met	Not met	We note that Better Regulation Victoria’s VBA health check found that this target contributed to limiting VBA’s ability to implement a risk-based inspection program. VBA told us that its next SOE will not include this target.

No.	Target	VAGO theme	VBA's attested status	VAGO's assessed status*	Comments
					VBA's internal report from 15 June 2023 showed that it had inspected 7.67 per cent of new building permits from July 2022 to April 2023.
5	<p>By June 2023, develop and implement a program to identify emerging risks and issues within the industry, determine impact and assess solutions. Target:</p> <ul style="list-style-type: none"> • pilot of practitioner profiles by 30 June 2022. 	Ensuring compliance and enforcing standards	Met	Partially met	VBA is in early stages of implementing a program. It developed 3 dashboards that identify known risks in the sector from December 2022 to August 2023. However, these dashboards do not identify emerging risks yet. And VBA told us it is too early to tell if the information the dashboards generate is reducing risks within the sector.
6	<p>By June 2023, continue to mature VBA's risk leadership, capability, and capacity. VBA Risk Maturity score to increase year on year. Target:</p> <ul style="list-style-type: none"> • 70 per cent for 2022 and 80 per cent for 2023. 	Modernising information and data systems	Met	Met	
7	By June 2023, automate data analytics to enhance oversight and transparency of regulated activities.	Modernising information and data systems	Met	Met	
8	By June 2023, Building Surveyor Audit Program and provision of guidance materials established to focus on identified compliance risks. Indicators to show compliance improvements in targeted risk areas in comparison to year 2021.	Ensuring compliance and enforcing standards	Met	Not met	VBA has identified compliance risks. But it has not set indicators to show compliance improvements in the identified risk areas.
9	By June 2023, work with regulatory partners to address complex and long-standing building permit and enforcement matters to ensure effective consumer outcomes.	Ensuring compliance and enforcing standards	Not met	Not met	VBA is working with the Department of Transport and Planning and other sector partners, but it has not addressed complex and long-standing building permit and enforcement matters.
10	By June 2023, strengthen consumer information by supporting the Department of Environment, Land, Water and Planning building consumer information service and aligning consumer communications with Consumer Affairs Victoria.	Promoting good practices across the sector	Met	Met	

No.	Target	VAGO theme	VBA's attested status	VAGO's assessed status*	Comments
11	<p>By June 2023, increase the awareness and compliance of industry, building owners and the community in maintaining essential safety measures (ESMs) to protect the safety of building occupants through the provision of information and education. The progress indicators are:</p> <ul style="list-style-type: none"> number of revised/updated and new resources related to ESMs for industry, owners, building managers and consumers number of downloads/views of resources related to ESMs target groups of stakeholders satisfied that resources and information met their needs. 	Promoting good practices across the sector	Not met	Not met	VBA advised it has started to revise and update ESMs for industry, owners, building managers and consumers. It has also developed an ESM Responsibilities Framework. But VBA has not provided the number of downloads/views of resources related to ESMs for 2022–23 or shown whether its target stakeholder groups are satisfied with the ESM resources and information.
12	<p>By June 2023, improve VBA's ongoing financial sustainability through the review of its operations and ensure financial self-sufficiency. VBA will:</p> <ul style="list-style-type: none"> complete fee model review by 31 March 2022 implement Activity Based Costing by 30 June 2022 comply with Victorian Government Purchasing Board requirements by 30 June 2022. 	Ensuring financial sustainability	Met	Partially met	VBA completed the plumbing fee review before 31 March 2022. However, in August 2022 the Minister for Planning asked VBA to postpone the release of the review. According the 2021–22 compliance assessment, VBA complied with 16 of the 18 mandatory Victorian Government Purchasing Board requirements.
13	By June 2023, deliver education and training programs, guidance materials to improve industry competence measures by reach and engagement of materials.	Promoting good practices across the sector	Met	Met	
14	By June 2023, the VBA is to host the annual Building Surveyors' Conference in 2022 and 2023.	Promoting good practices across the sector	Met	Met	VBA's 2023 Building Surveyors' Conference took place on 16 August 2023.

Source: VBA's 2021–23 SOE, VBA and VAGO.

Appendix E:

Progress against selected Stage One Report recommendations

Figure E1 lists selected recommendations from the Stage One Report. It also outlines VBA's attested status against them and our assessment.

Figure E1: VBA's progress against selected recommendations from the Stage One Report

No.	Selected recommendation	VAGO theme	VBA's attested status	VAGO's assessed status
Recommendation 2: Enforce and improve requirements for documentation across the building lifecycle to improve accountability and transparency.				
1	There is a significant opportunity to expand the recently developed Building Activity Management System (BAMS) to support a consistent approach to lodging and tracking documentation across a building project. The Panel recommends that BAMS is integrated with the VBA's other standalone systems to better enable data analysis.	Modernising information and data systems	Not started	Not started
Recommendation 11: Actively support the improvement of the VBA's capacity so that it is a contemporary best practice regulator.				
The Panel recommends that the VBA continue to build on recent improvements and investments to lift its performance to meet contemporary standards for a best practice regulator.				
2	The Panel recommends that the VBA take steps to further develop transparent public reporting on achievements against targets for key priorities, such as its inspection, registration and disciplinary functions – this would build on its recent publishing of Quarterly Proactive Inspection Reports.	Ensuring compliance and enforcing standards	In progress	In progress
3	The Panel recommends that the VBA take steps to enhance responsiveness for both proactive compliance and non-compliance and disciplinary matters referred to it, by publishing performance targets and reporting on achievements.	Ensuring compliance and enforcing standards	In progress	In progress
4	The Panel recommends that the VBA take steps to further invest in a risk-based and intelligence-led audit and inspections regime which includes a renewed approach to the auditing of building surveyors.	Ensuring compliance and enforcing standards	In progress	In progress
5	The Panel recommends that the VBA take steps to improve the collecting and sharing of information with other bodies with co-regulatory responsibilities.	Promoting good practices across the sector	In progress	In progress

No.	Selected recommendation	VAGO theme	VBA's attested status	VAGO's assessed status
Recommendation 13: Introduce measures to strengthen the building approvals process for all projects.				
The Panel recommends a series of changes to begin in the short term. In conjunction with Recommendations 1–12—particularly those to enhance practitioner accountability, document quality, information sharing and regulatory oversight—these changes will help to provide improvements in the short term to the building approvals process for all projects.				
6	The Panel proposes that a new system for auditing of building surveyors is introduced. This should focus on areas identified as significant risks, such as conflicts of interest, and the consistency and quality of building documentation. The way in which this auditing is undertaken could include recognition of professional associations' auditing systems (subject to them meeting rigorous ongoing standards).	Modernising information and data systems	In progress	In progress
7	The Panel proposes that the VBA renew its risk-based targeted inspection audit program with a greater focus on class 2 to 9 buildings.	Ensuring compliance and enforcing standards	In progress	In progress
8	The Panel proposes that the VBA establish a priority project team to address existing orphan permits.	Ensuring compliance and enforcing standards	Completed	Completed
9	The Panel proposes that a protocol between the VBA and councils be finalised to ensure clarity of roles and responsibilities about compliance and enforcement.	Ensuring compliance and enforcing standards	In progress	In progress

Source: The Stage One Report, VBA and VAGO.

Appendix F:

Progress against Better Regulation Victoria's VBA health check recommendations

Figure F1 lists the recommendations from Better Regulation Victoria's VBA health check. It also outlines VBA's attested status against them and our assessment.

Figure F1: VBA's progress against Better Regulation Victoria's recommendations

No.	Recommendation	VAGO theme	VBA's attested status	VAGO's assessed status	Comments
1A	Extending from the Annual Regulatory Plan (ARP), the VBA should adopt a multi-year view to how it will tackle major harms of concern, including the staging of different interventions and activities. This may take the form of a strategic harms plan which informs the development of the ARP.	Ensuring compliance and enforcing standards	In progress	In progress	
1B	The VBA should commit to translating the ARP (and any multi-year plans) into its whole-organisation planning and resource management, to ensure that it delivers integrated, coordinated interventions across its functions.	Ensuring compliance and enforcing standards	In progress	In progress	
1C	The VBA should develop activity and performance monitoring across its functions, linked to harm-minimisation outcomes, to support management of these integrated responses.	Ensuring compliance and enforcing standards	In progress	In progress	
1D	The VBA should ensure that it effectively communicates externally on the ARP, its regulatory priorities and its actions to address these harms. Moving forward the VBA will need to report more broadly on its harms-based approach to regulation.	Promoting good practices across the sector	In progress	In progress	
1E	The VBA should review how it allocates compliance monitoring and enforcement resources to ensure sufficient capacity for strategic interventions. This should include identifying opportunities to pilot 'problem solving' projects for suitable harms, and developing internal capabilities to implement such an approach.	Ensuring compliance and enforcing standards	In progress	In progress	

No.	Recommendation	VAGO theme	VBA's attested status	VAGO's assessed status	Comments
1F	The VBA should ensure it regularly provides internal communications on the ARP and actions to address harms. As the harms-based approach matures, these activities should become more integrated into planning and communications at all levels of the organisation.	Ensuring compliance and enforcing standards	In progress	In progress	
2A	To optimise performance and investment impact, the VBA should articulate its priorities more clearly for data, reporting and measures of success. In doing so, the VBA should clarify its data priorities for managing operational performance and legislative requirements, as distinct from data sources that may inform broader data analytics.	Modernising information and data systems	In progress	In progress	
2B	To achieve its ambition of advanced data analytics and risk profiling, the VBA needs to prioritise attention to the 'Trusted Regulator' pillar of its strategy, with a focus on delivering accurate management of end-to-end operational activities (consistent with principle 7.3 of BRV's [Better Regulation Victoria's] <i>Towards Best Practice</i> guide).	Modernising information and data systems	In progress	In progress	
2C	In specifying its data and reporting needs, the VBA should account for: <ul style="list-style-type: none"> • how activities and regulatory responses are segmented under its programs, • how work is managed according to risk categories, and • how data from compliance activities are used by other VBA functions (e.g. education campaigns, guidance development, media, permitting). 	Modernising information and data systems	In progress	In progress	
2D	The VBA should establish a business process reengineering function that engages operational leaders across the organisation and provides a foundation for technology reforms. This function should review how to streamline processes and data requirements, and ensure process engineering is completed prior to automation and IT [information technology] system development.	Modernising information and data systems	Not started	Not started	
2E	The VBA should seek to understand the potential for aligning regulatory process reforms with anticipated Service Victoria product and service offerings including 'licensing as a service' and 'regulator in a box'.	Promoting good practices across the sector	In progress	In progress	
3A	The VBA should develop a policy position on the purpose(s) of Proactive Inspections Program (PIP) inspections, and how these purposes guide the approach to inspection planning, notification or scheduling with practitioners, and approach to compliance advice, direction and non-compliance	Ensuring compliance and enforcing standards	In progress	In progress	

No.	Recommendation	VAGO theme	VBA's attested status	VAGO's assessed status	Comments
	escalation onsite. In doing so, the VBA should better define the role of officer discretion in relation to centralised planning and allocation of activities.				
3B	The VBA should develop a resource model that estimates the workload associated with different categories of inspection, accounting for risk and complexity. This model should be designed to provide a general understanding of time costs for different inspection types, as a reference for more detailed tracking of effort.	Supporting staff wellbeing	In progress	In progress	
3C	In designing its resource model, the VBA should account for associated activities, including compliance advice, close out inspection reports or letters, and compliance actions. As a starting point, the VBA should aim to estimate the expected 'rate' of different follow-up activities, depending on the risk category of inspections, with a focus on advice and remedial action, as distinct from sanctioning action.	Supporting staff wellbeing	In progress	In progress	
3D	The VBA should design the compliance monitoring model to support PIP inspections, whilst accounting for resources assigned to different categories of inspection (response and strategic). Whilst there are current impediments to managing these activities (including limitations in taking remedial action post occupancy permit), the VBA should seek to design its approach for a future state.	Ensuring compliance and enforcing standards	In progress	In progress	
3E	The VBA should engage with [the former] Department of Environment Land Water and Planning and the Minister for Planning on its objectives for a more mature and comprehensive model for designing and monitoring work, with a focus on risk targeting, and moving from an activity quota to a balanced set of performance indicators, consistent with guidance set out in <i>Towards Best Practice</i> .	Promoting good practices across the sector	In progress	In progress	
3F	The VBA should ensure that future IT [information technology] investments support increased visibility, tracking and management of inspection activities and end-to-end processes.	Modernising information and data systems	In progress	In progress	
3G	In designing its PIP model, the VBA should aim to set aside a portion of inspections for higher-risk sites and practitioners, and a portion for random sampling of general sites and practitioners to maintain visibility and monitor for emerging risks.	Ensuring compliance and enforcing standards	In progress	In progress	

No.	Recommendation	VAGO theme	VBA's attested status	VAGO's assessed status	Comments
3H	The approach should account for maintaining a presence at 'lower consequence, high likelihood' risks including risks in high volume building activities; and explore options for incentivising self-monitoring programs by volume builders.	Ensuring compliance and enforcing standards	Not started	In progress	VBA has started embedding a harm-based regulatory approach into all its planning and resource management.
4A	The VBA should review its suite of instruments used to respond to non-compliances with a view to moving away from the current use of letters as a default. This should include assessing the role and scope of including inspection records, letters, and Directions to Fix (DTFs). In doing so, the VBA should consider how its policies and procedures promote accurate and complete note taking/records, and how these notes/records are translated into observations in inspection records and directions, or as inputs into briefs of evidence.	Ensuring compliance and enforcing standards	Not started	Not started	
4B	In reviewing its approach, the VBA should examine and develop policy positions on the different scenarios in which issue of a DTF may interact with the role of the Relevant Building Surveyor (RBS), whether an issue identified in response to a notification or complaint, or a proactive inspection; in relation to the timing of RBS inspections. This includes navigating how VBA action is intended to bolster compliance without diminishing the primary obligations of the RBS.	Ensuring compliance and enforcing standards	Not started	Not started	
4C	In setting policies, guidelines and templates for these instruments, the VBA should take account of procedural fairness, focusing on clarity for the recipient of the nature of the breach and remedy, how to query requirements, and review rights. To support this change, VBA executive should give direction on the level of information necessary to communicate in the remedial tool, versus what information is necessary to have a record of for potential sanctioning action, or for when cautioning a practitioner.	Ensuring compliance and enforcing standards	Not started	Not started	
4D	The VBA use guidance and proactive engagement to support practitioner understanding of its revised compliance approach. This may include a new section in the Compliance and Enforcement Policy, website updates, brochures on what to expect from inspections and remedial actions, engagement with RBS' on their role and obligations and the complementary role of VBA when it takes action.	Promoting good practices across the sector	In progress	Not started	VBA's draft Compliance and Enforcement Policy does not say it will meet this recommendation.

No.	Recommendation	VAGO theme	VBA's attested status	VAGO's assessed status	Comments
4E	The VBA should explore the option of providing draft DTFs to practitioners before issue (e.g. with the inspection record), as mechanism for query and discussion of requirements, with access to the issuing officer or another expert. A focus of this process would be on allowing practitioners to justify alternative building methods that meet building code requirements. Lessons learnt from any such queries should be fed into the VBA's quality improvement and learning programs, and guidance from the State Building Surveyor.	Promoting good practices across the sector	Not started	Not started	
5A	The VBA should explore alternative ways to communicate PIP activities, such as more social media 'bulletin' type updates that summarise compliance data including VBA actions taken.	Promoting good practices across the sector	In progress	In progress	
5B	In its communications, the VBA should emphasise guidance given and remedial actions taken, under a narrative of 'predicable and expected outcomes' and constructive compliance management' – as opposed to 'enforcement and punishment'.	Promoting good practices across the sector	Not started	Not started	
5C	In its communications, the VBA should emphasise volumes of activities taken, ideally by sector, site type, or location. This might include total volumes by month, quarter or year. The VBA should assess when and how reporting against the Statement of Expectations performance measure is used.	Promoting good practices across the sector	Not started	Not started	
5D	The VBA should track and report on volumes of remedial actions taken, ranging from onsite compliance advice, to follow up advice and directions, including escalation (including to sanction) where required actions were not complied.	Modernising information and data systems	Not started	Not started	
5E	The VBA should increase the prominence of its Compliance and Enforcement Policy and communicate the role of remedial actions its policy. A standalone webpage/section should be considered. This webpage could include periodic high-level updates on compliance activity.	Promoting good practices across the sector	Not started	Not started	
5F	The VBA should review the 'tone' of its remedial instruments including letters and directions to fix, to clarify risk terminology and ensure transparency about basis of actions, review rights, and the 'constructive' intent of the instruments. This work should inform and link to broader communications about the role of different VBA responses in constructively growing industry knowledge and compliance.	Promoting good practices across the sector	Not started	Not started	

Source: Better Regulation Victoria's VBA health check, VBA and VAGO.

Auditor-General's reports tabled during 2023–24

Report title	Tabled
<i>Cybersecurity: Cloud Computing Products (2023–24: 1)</i>	August 2023
<i>Responses to Performance Engagement Recommendations: Annual Status Update 2023 (2023–24: 2)</i>	August 2023
<i>Eloque: the Joint Venture Between DoT and Xerox (2023–24: 3)</i>	October 2023
<i>Domestic Building Oversight Part 1: Regulation (2023–24: 4)</i>	November 2023

All reports are available for download in PDF and HTML format on our website at <https://www.audit.vic.gov.au>

Our role and contact details

The Auditor-General's role

For information about the Auditor-General's role and VAGO's work, please see our online fact sheet [About VAGO](#).

Our assurance services

Our online fact sheet [Our assurance services](#) details the nature and levels of assurance that we provide to Parliament and public sector agencies through our work program.

Contact details

Victorian Auditor-General's Office
Level 31, 35 Collins Street
Melbourne Vic 3000
AUSTRALIA

Phone +61 3 8601 7000

Email enquiries@audit.vic.gov.au
