

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	

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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.

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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.