



GOVERNMENT OF
WESTERN AUSTRALIA

BRB BUILDERS'
REGISTRATION
BOARD
OF WESTERN AUSTRALIA

2008/09 Annual Report

Chairman's Foreword

Welcome to the 2008/09 Annual Report of the Builders' Registration Board of Western Australia.

This report describes the functions, operations, achievements and performance of the Board during the reporting period.

The Builder's Registration Board was established in 1940 by the proclamation of the *Builders' Registration Act 1939* and aims to ensure the highest possible standards in the West Australian building industry.

The Board continued to deliver a high standard of service to the community during the reporting period by the maintenance of appropriate levels of entry skills for builder's registration, ensuring industry compliance with legislative requirements and providing an efficient dispute resolution service to the community.

The Board employs 63 staff and operates within an annual budget of over six million dollars. The core service areas of the Board are registration, compliance, dispute resolution, and education and awareness.

In September 2009, the Board and its staff will re-locate to new premises at Troode Street West Perth, which will house the new Building Commission, and await the pending enactment of new legislation that will transfer the operations of the Board into the Commission. In the meantime, the Board will continue to efficiently manage its resources and meet its obligations to provide a valuable service to the community.

Statement of Compliance

In accordance with section 23B of the *Builders' Registration Act 1939* I hereby submit to the Minister for Commerce for tabling in Parliament, the Annual Report of the Builders' Registration Board of Western Australia for the financial year ended 30 June 2009.

The report has been prepared in accordance with section 23A of the *Builders' Registration Act 1939*.



Mark Cuomo
CHAIRMAN
Builders' Registration Board of Western Australia

Dated this 15th day of September 2009

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OVERVIEW

Executive Summary

In 2008/09, the Builders' Registration Board continued to maintain a strategic focus in providing a regulatory and dispute resolution service to the community with the aim of ensuring a high standard of building work in Western Australia.

The Board's functions are to:

- prescribe the course of training for a builder to be registered;
- maintain a register of registered builders;
- issue certificates of registration;
- take proceedings for offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*;
- carry out the provisions of the *Builders' Registration Act 1939*; and
- carry out building information and educational activities.

In addition, the Board is required to provide administrative support to the Building Disputes Tribunal. This includes meeting the expenditure necessary for the functioning of, and collecting any fees payable to, the Tribunal.

The Board monitors the level of building activity in order to develop long term strategies for greater efficiency and more customised services in the areas of builder registration, dispute resolution, industry compliance and education.

The Australian Bureau of Statistics reported that Western Australian local governments issued 19,336 building approvals for houses and other dwellings in 2008/09, valued at a total of \$8.37 billion. This represents a 14.4 per cent decrease in building approvals for Western Australia from last year's total of 22,592.

Despite the decrease, the Board's workload remained at high levels and achievements in 2008/09 included maintaining a register of 6,092 builders, processing 475 applications for registration, issuing 2,581 owner-builder certificates and carrying out 683 building inspections.

The Board also completed 334 investigations into alleged offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, referred 29 builders to the State Administrative Tribunal for disciplinary action, and commenced 40 proceedings in the Magistrates Court.

The Building Disputes Tribunal received 799 complaints, issued 418 orders to remedy, and 194 orders to pay valued at \$2,146,694.

During 2008/09, a key consideration has been the planning and preparation of the Board's amalgamation with the Building Commission and the move to new premises in September 2009.

Operational Structure

Enabling Legislation

FOI/2 & FOI/5

The Builders' Registration Board is established under section 5 of the *Builders' Registration Act 1939*.

Legislation Administered

FOI/3

The Board is responsible for administering the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

Other legislation that the Board must comply with is located in the Other Legal Requirements section of this report.

Responsible Minister

The Minister responsible for the administration of the Builders' Registration Board is Hon Troy Buswell MLA, Minister for Commerce.

Area of Jurisdiction

The Board's area of jurisdiction encompasses 122 of the 139 local governments in the State, but in some instances only major town sites.

The provisions of the *Home Building Contracts Act 1991* apply to the whole of Western Australia.

Indian Ocean Territories

A service delivery arrangement between the Commonwealth Government and the Board was entered into on 31 May 2007 to enable the Board to provide dispute resolution services to the Christmas and Cocos (Keeling) Islands.

The Board

FOI/6

The Board consists of a chairperson and six members nominated by the Minister for Commerce and appointed by the Governor of Western Australia.

Board Members









Mr Mark Cuomo

Chairperson

Appointed under s. 5A(2) of the Builders' Registration Act 1939

Mr Cuomo, a legal practitioner, was appointed in June 2006 as the Chairperson of the Board, Building Disputes Tribunal and Painters' Registration Board.

Deputy: Ronald Slobe.

 <p>Mr Ronald Slobe</p>	<p>Non-Metropolitan Builder Representative Member <i>Appointed under s. 5A(3)(aa) of the Builders' Registration Act 1939</i> Mr Slobe, a registered builder, was appointed in December 2002. <i>Deputy: Charlie Baggetta</i></p>
 <p>Mr Steven Peck</p>	<p>Master Builders Association Nominated Member <i>Appointed under s. 5A(3)(b)(ii) of the Builders' Registration Act 1939</i> Mr Peck, a registered builder, was appointed in January 2008. <i>Deputy: John Ripp</i></p>
 <p>Mr Fred Smith</p>	<p>Building Trades Association of Unions Nominated Member <i>Appointed under s. 5A(3)(b)(ii) of the Builders' Registration Act 1939</i> Mr Smith, a life member of the Operative Painters' and Decorators Union of WA and member of the Painters' Registration Board, was appointed in August 2000. <i>Deputy: Kevin Reynolds</i></p>
 <p>Mr Patrick Pinder</p>	<p>Royal Australian Institute of Architects Nominated Member <i>Appointed under s. 5A(3)(b)(i) of the Builders' Registration Act 1939</i> Mr Pinder, a registered architect, was appointed in April 2002. <i>Deputy: Janine Marsh</i></p>
 <p>Mr Neville Harrison</p>	<p>Housing Industry Association Nominated Member <i>Appointed under s. 5A(3)(b)(iv) of the Builders' Registration Act 1939</i> Mr Harrison, a registered builder, was appointed in May 2001. <i>Deputy: Suzanne Churn</i></p>
 <p>Ms Genevieve Cleary</p>	<p>Consumer Representative Member <i>Appointed under s. 5A(3)(a) of the Builders' Registration Act 1939</i> Ms Cleary, a legal practitioner, was appointed in April 2006. <i>Deputy: Miriam Sauley</i></p>

Board Meetings 2008/09

The *Builders' Registration Regulations* requires the Board to meet formally at least once per month. During the reporting period the Board met for 12 ordinary meetings and 12 registration meetings. Attendance by members is shown in the following table:

BOARD MEMBER	MONTHLY	REGISTRATION	DEPUTY ATTENDED
Mark Cuomo (Chairperson)	11	11	2
Steven Peck	10	10	2
Fred Smith	11	11	
Patrick Pinder	10	11	
Neville Harrison	11	11	
Genevieve Cleary	10	11	
Ronald Slobe	12	12	

Executive Staff

FOI/4

 Mr Kim Fare	<p>Registrar Mr Fare was appointed as Registrar in June 2007.</p>
 Ms Nikola Strehle	<p>Deputy Registrar Ms Strehle was appointed as Deputy Registrar in November 2007.</p>

Organisational Structure

FOI/4

As at 30 June 2009, the Board had 63 established positions, of which four were temporary positions. The organisational chart is at Appendix B.

Staff Profile

BASIS OF EMPLOYMENT	2007/2008	2008/2009
Full-time permanent employees	45	50
Part-time measured on a FTE* basis	6.6	6.7
Employees on secondment	0	2

* full time equivalent

Staff Development

The Board is committed to the training and development of its employees. During the reporting year staff received 59 days of training in areas of information technology, written communication, building practices and legislative requirements. The Board met its training budget for the year at a total cost of \$25,245.

Performance Management Framework

The Board acknowledges and supports the Western Australian Government's goals by providing a regulatory and dispute resolution service to the community and by managing the delivery of services to its stakeholders.

Contribution to Government Goals

The Board's strategic objectives align with the whole of government goals and are achieved through the delivery of the Board's core services of registration, compliance, dispute resolution and education. The link between the Board's strategic objectives and their contribution to government goals is explained below.

State Building – Major Projects

The Board contributes to the goal of state building by being an effective regulatory and decision-making body that promotes and encourages quality workmanship, the growth of the building industry and the protection of consumers.

The Board ensures that persons undertaking building in Western Australia comply with the provisions of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*. The Board also promotes and supports a high standard of workmanship and contract management through sponsoring building industry awards.

Financial and Economic Responsibility

By ensuring the highest possible standards of building through the maintenance of appropriate levels of entry skills for builders, industry compliance with legislative obligations and the provision of an efficient, cost effective and impartial building dispute resolution service to the community, the Board encourages economic activity in the building industry.

The Board is self-funded and generates the majority of its revenue from industry activity to cover the Board's operational costs, subsequently reducing the financial burden on the State and the private sector.

Outcome Based Service Delivery

The Board prepares an annual corporate plan, which is submitted to the Minister, that identifies key priorities and deliverables based on areas of need. Resources are allocated based on identified priorities in the service areas of registration, compliance, dispute resolution and education and awareness.

The Board encourages high service standards by quantifying all deliverables for its key service priorities and measures outcomes against targets identified in its corporate plan.

Stronger Focus on the Regions

The Board contributes to regional communities by undertaking compliance and educational activities in regional areas that fall within its area of jurisdiction. Regional communities in West Australia also have access to dispute resolution services where workmanship or contractual issues arise.

Each year the Board conducts two of its monthly meetings in regional areas to promote awareness of its role and to consult with key stakeholders.

Social and Environmental Responsibility

The Board ensures that building activity in Western Australia is conducted in a socially and environmentally responsible manner through the administration of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*. This legislation places certain obligations on the building industry to make sure that the society and the environment are not adversely effected by building activity.

Strategic Objectives

FOI/2

The Board's objectives are to ensure the highest possible standards of building for the community by the maintenance of appropriate levels of entry skills for builders, industry compliance with legislative obligations and the provision of an efficient, cost effective and impartial building dispute resolution service to the community.

These objectives are carried out within the framework of the following four service areas.

Registration

- To ensure that only persons who meet the registration requirements of the *Builders' Registration Act 1939* are registered.
- To maintain an accurate Register of Builders.

Compliance

- To ensure compliance with the requirements of the *Builders' Registration Act 1939*, the *Home Building Contracts Act 1991*, building standards and codes.
- To investigate matters and bring them before the State Administrative Tribunal or the Courts in a timely manner.
- To ensure that building inspection reports are accurate, impartial and concise, and provided to parties to a dispute before the Building Disputes Tribunal in a timely manner.

Dispute Resolution

- To provide resources and administrative support to assist the Building Disputes Tribunal to provide a straight forward, inexpensive forum for adjudicating workmanship and certain contractual disputes between owners and builders pursuant to the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

Education and Awareness

- To ensure that builders, owner-builders, associated building trades and local governments are aware of their duties and obligations under the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

- To create awareness in the community of the Board's role and the obligations of industry to comply with legislation.

Shared Responsibilities with Other Agencies

The Department of Commerce shares the responsibility of providing education and awareness to consumers, and makes decisions about applications received from owner-builders seeking to sell or build again before the prescribed time limitations.

Local governments enforce the provisions of section 4A of the *Builders' Registration Act 1939* in processing and issuing building licences.

The State Administrative Tribunal has power under section 13(2) of the *Builders' Registration Act 1939* to annul the cancellation or suspension of a registration. The Board shares this responsibility when it has made a decision to cancel or suspend a registration in the first instance.

ACHIEVEMENTS

The Board's 2008/09 Corporate Plan identified key priorities and targets for each service area that align with the Board's strategic objectives. The results of these initiatives for the reporting year are below:

Registration

Priority 1 *Implement the Board's revised assessments undertaken by applicants for registration who have not completed the Board's prescribed course of training.*

The new assessments were implemented in February 2009 along with guidelines to assist applicants.

Priority 2 *Complete the development of the framework for management and supervision arrangements, including the reassessment of arrangements when there are changes.*

A framework for the assessment of management and supervision arrangements was developed, documented and incorporated into the Registration area's procedures manual.

Priority 3 *Commence the development of guidelines for the assessment of sufficient financial and material resources.*

Guidelines were developed and implemented to assist the Board in assessing an applicant's sufficiency of material and financial resources.

Priority 4 *Undertake a review of the Board's Rulings Manual with respect to previous Board decisions on registration matters, and incorporate these into a comprehensive procedures manual to be developed for the Registrations Area.*

A review of the Board's Rulings Manual was undertaken and will be incorporated into a procedures manual in 2009/10.

Priority 5 *Undertake data cleansing of the information relating to registered builders stored on the Board's corporate database Synergy.*

The data cleansing project was commenced and will be ongoing in 2009/10.

Priority 6 *Allocate one temporary officer to provide registrations processing support during the period of time staff will be undertaking the procedures manual and data cleansing projects.*

One temporary Registrations Officer was allocated.

Target 1 *100% of applications received are acknowledged within 5 days of lodgement.*

An acknowledgement notice was sent to all applicants within 5 working days of the Board receiving their application for registration.

Target 2 *80% of complete applications are presented to the Board within 8 weeks.*

136 out of 142 complete applications were presented to the Board within the 8 weeks timeframe (ie: 95.8%).

Target 3 *100% of applicants advised of outcomes of their application within 5 working days of decision by the Board.*

All applicants were advised of outcomes of their application within five working days of the Board's decision.

Target 4 *100% of telephone messages are returned within one working day.*

All telephone messages were returned within one working day.

Compliance

Priority 1 *Review the current system of actioning investigations.*

The system of actioning investigations was reviewed and improved.

Priority 2 *Continue monthly challenge reviews of all investigations.*

All investigations continue to be subject to a monthly challenge review.

Priority 3 *Recruit one vacant Compliance Officer Position*

As a result of staff movements three Compliance Officer positions were filled.

Priority 4 *Recruit one Building Inspector position*

One Building Inspector was recruited.

Priority 5 *Develop and implement a targeted builder audit program*

An audit plan was developed and implemented targeting active residential builders.

Priority 6 *Develop a code of conduct for Compliance Officers*

A code of conduct for Compliance Officers was developed and implemented.

Target 1 *100% of complaints received are acknowledged within 5 working days of lodgement*

98% of complaints received were acknowledged within 5 working days of lodgement.

Target 2 *Undertake 150 random building inspections*

182 random building inspections were undertaken.

Target 3 *Undertake 1000 random site inspections*

1,763 random site inspections were carried out.

Dispute Resolution

Priority 1 *Continue to ensure complaints are dealt with efficiently and in a timely manner.*

Complaints were dealt with efficiently and in a timely manner. Key target dates are monitored and the Board was provided with a monthly report detailing target achievements.

Priority 2 *Administer and regularly review the criteria and priority system developed for allocating resources and deploying a Board Inspector*

The criteria and priority system for allocating resources and deploying a Board Inspector was administered and reviewed.

Priority 3 *Continue to monitor compliance with orders made by the Building Disputes Tribunal and refer to the Board's Compliance section where appropriate.*

Orders to remedy were monitored and referred to the Board's Compliance section where appropriate, and upon request by the Building Disputes Tribunal. All orders to pay that were not complied with were referred to the Board's Compliance section as a matter of priority.

Priority 4 *Develop indicators to monitor the number of complaint items received per complaint*

A system was developed to monitor the number of complaint items received per complaint.

Priority 5 *Continue to identify trends in the nature and cause of complaints made to the Building Disputes Tribunal by tracking the rate of complaints from various categories of work*

Trends in the nature and cause of complaints made to the Building Disputes Tribunal continued to be identified. Key work categories were reviewed with additional categories added.

Priority 6 *Review the Building Inspector's Code of Conduct and provide training to Building Inspectors as appropriate*

The Building Inspector's Code of Conduct was reviewed. Dispute resolution training was provided to new inspectors as appropriate.

Target 1 *90% of cases listed within 90 days of being ready for a hearing.*

95% of cases were listed within 90 days of being ready for a hearing.

Target 2 *100% of complaints acknowledged within five working days.*

All complaints were acknowledged within five working days.

Target 3 *100% of requests for reasons for decision referred to the Building Disputes Tribunal within two working days of receiving the request.*

All requests for reasons for decision were referred to the Building Disputes Tribunal within two working days of receiving the request.

Target 4 *90% of building inspections undertaken within 10 working days from receipt of request from the Building Disputes Tribunal.*

92% of building inspections were undertaken within 10 working days from receipt of request from the Building Disputes Tribunal.

Target 5 *90% of building inspection reports are provided to the parties within 20 working days of the inspection being undertaken.*

76% of building inspection reports were provided to the parties within 20 working days of the inspection being undertaken. The target of 90% was not achieved due to the increasing number of items lodged per complaint and the increased complexity in the matters that came before the Building Disputes Tribunal in 2008/09. The target of 90% has been revised to 80% for 2009/10.

Education and Awareness

Priority 1 *Continue to increase community awareness of the role and functions of the Board and the Building Disputes Tribunal, and promote the Board and Tribunal's websites.*

The Board continued to promote awareness of its role by participating in consumer and industry exhibitions, expanding stakeholder education, issuing press releases and providing articles for other publications. The Board also promoted both the Board and Building Disputes Tribunal websites as a main source of information.

Priority 2 *Continue to participate in metropolitan and regional exhibitions.*

The Board participated in seven consumer and industry exhibitions held in the Perth metropolitan area, Bunbury and Broome.

Priority 3 *Ensure that the Board and Building Disputes Tribunal websites and online services are up-to-date, relevant and continue to develop the website's online payment facilities.*

The Board and Building Disputes Tribunal's websites and online services were kept up-to-date and relevant.

The on-line payment functionality was improved and promoted as a payment option to clients of the Board and Building Disputes Tribunal.

Priority 4 *Develop an electronic newsletter that can be subscribed to by registered builders, industry and interested stakeholders.*

An electronic newsletter was published and distributed in July, September and December 2008 and March 2009. As at 30 June 2009, there were 2,511 online subscribers.

Priority 5 *Commence an owner-builder print advertising campaign to increase awareness of the responsibilities and risks associated with taking out a building licence as an owner builder.*

Due to a change in Government during the reporting period, the commencement of the owner-builder print advertising campaign was delayed pending re-approval by the Government Media Office. The campaign was subsequently not re-approved.

Priority 6 *Develop a comprehensive owner-builder information and application package to replace the existing owner-builder publication.*

A new owner-builder package was developed that includes the statutory declaration form as a tear out attachment, to be read in conjunction with the new publication.

Priority 7 *Complete the development of an information pack for newly registered builders and distribute to all new applicants approved by the Board*

A registered builder's information pack was developed and will be distributed to all newly-registered builders throughout 2009/10.

Priority 8 *Publish and distribute widely the revised publication on resolving building disputes.*

The publication titled 'Resolving Building Disputes – A Guide for Owners and Builders' was revised and published. Approximately 7,000 copies were distributed to current and previous members of parliament, the Department of Commerce (Consumer Protection Division) and community legal services.

Target 1 *Conduct a minimum of 10 information and education seminars for building industry participants held at various locations and also targeted at associated trades/smaller builders.*

The Board's compliance staff presented 15 information seminars to Local Government building services staff throughout the metropolitan area, the South West and the Goldfields region. Eight were conducted in the Perth metropolitan area and 7 in regional areas to representatives from 50 local government authorities.

Target 2 *Publish the BRB newsletter quarterly.*

In 2008/09 the Board's newsletter was published in September 2008, December 2008 and April 2009. Each issue was distributed to approximately 6,500 recipients including builders, local government, industry and consumer associations and government agencies.

Target 3 *Conduct two Board meetings in regional areas.*

The Board held regional meetings in Bunbury and Kalgoorlie followed by a forum attended by registered builders and industry participants.

Changes to Key Priorities

There were no changes to the Board's key priorities during the reporting period.

REPORT ON OPERATIONS

Registration

Key Activities

To enable the Board to deliver positive outcomes in the area of Registration, the following activities are undertaken:

- Receive and assess applications for registration and refer them to the Board for determination.
- Maintain a register of registered builders and ensure the integrity of that register.
- Monitor the appropriateness of the prescribed course of training undertaken by applicants for registration.
- Monitor the appropriateness of the assessments undertaken by applicants for registration who have not completed the Board's prescribed course of training.
- Process owner-builder statutory declarations and issue appropriate certification.
- Represent the Board before the State Administrative Tribunal to maintain the integrity of the registration system.

The Register of Builders

FOI/7a

Section 8(1)(b) of the *Builders' Registration Act 1939* requires the Board to compile and keep a Register of Builders containing the names, addresses and qualifications of builders admitted to the Register.

As at 30 June 2009 there were 6,092 builders registered with the Board, comprising 4,329 individuals, 1,447 companies and 316 partnerships.

The Register is published on the Board's website and is available to be downloaded free of charge in both PDF and Excel formats.

Applications for Registration

In 2008/09, the Board received 475 applications for registration, an increase of 13.3 per cent from the previous year. Of those, 309 were approved, 29 were refused, 5 remain deferred by the Board, 84 are awaiting referral to the Board pending additional information, and 48 were withdrawn by the applicant.

During 2008/2009, the Board received 132 applications for registration through mutual recognition, a 34.7 per cent increase on the previous year's total of 98.

Applications were received under 12 categories as listed below:

CATEGORY OF REGISTRATION	APPLICATIONS RECEIVED		
	2006/07	2007/08	2008/09
Individuals:			
Examinations	67	60	66
Manager/Supervisor	76	58	64
Experience elsewhere than in Western Australia	26	18	25
Experience outside the area of the Act in Western Australia	2	3	2
Architect	4	4	3
Engineer	15	5	15
Australian Institute of Builders	14	7	17
Australian Institute of Mining and Metallurgy	0	1	0
Companies	145	148	142
Partnerships	14	16	6
Temporary Licence	15	1	3
Mutual Recognition	64	98	132
TOTAL	442	419	475

Applications for Termination of Suspension or Reinstatement of Cancelled Registration

In the 2008/09, eight applications were made to the State Administrative Tribunal for registration to be reinstated or conditions removed. Of these, the Board had cancelled four, suspended three and placed conditions on one registration.

The applications resulted in five applicants being granted full registration, two applicants being granted registration for employment purposes only and one applicant being granted conditional registration.

Review of Board Decisions

A person who is dissatisfied with the Board's decision in respect of an application for registration may apply to the State Administrative Tribunal (SAT) for a review of that decision. In 2008/09, the SAT received two applications to review the Board's decision to refuse registration, which resulted in one being dismissed and one being withdrawn by the applicant.

Owner-Builders

The *Builders' Registration Act 1939* (the Act) enables a person who is not a registered builder to construct for themselves a dwelling house or a building comprising two dwellings on ground level (commonly referred to as a duplex). Such a person is known as an "owner-builder".

In 2008/09, the Board issued 2,581 owner-builder certificates relating to the construction of residential dwellings, a 17.3 per cent decrease from last year's total of 3,124.

The Act also provides that the Board may approve a person who is not a registered builder to construct for himself an industrial building. This recognises that certain specialised types of industrial buildings may be competently erected by persons having skills confined to that particular type of construction, whilst not possessing the experience or qualifications necessary to be recognised as registered builders.

In 2008/09, the Board received 12 applications to construct a specialised type of industrial building, of which three were approved, eight were refused and one was withdrawn.

The restrictions imposed on owner-builders by the Act are:

- the person applying for the building licence must furnish the Board with a Statutory Declaration verifying that no other building licence has been obtained from any local government within the preceding six years; and
- the land on which the building is constructed shall not be sold or otherwise disposed of within three years of the date of when the building licence was issued.

The Minister for Commerce or delegate may, on receipt of a written application, give consent to vary either of these restrictions.

In 2008/09 there were 157 applications made by owner-builders, which included 22 applications to build again within the prescribed six-year period and 135 applications to sell. The following table provides details of how those applications were decided:

APPLICATIONS TO SELL	2008/09
Approved	103
Refused	2
Pending	30
Total	135

APPLICATIONS TO BUILD	2008/09
Approved	15
Refused	3
Pending	4
Total	22

Compliance

Key Activities

To enable the Board to deliver positive outcomes in the area of Compliance, the following activities are undertaken.

- Receive complaints and other notifications, assess and investigate where justified in accordance with resources and priorities.
- Review and assess Building Disputes Tribunal complaint files for potential breaches of legislation.
- Investigate matters involving builder insolvency.
- Conduct audits of registered builders to assess compliance with regulatory requirements.
- Assess industry compliance with building codes and standards by undertaking random building inspections.
- Bring proceedings before the State Administrative Tribunal and Magistrates Courts for alleged breaches of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

Compliance audits

Compliance audits are undertaken to help maintain community confidence in the building industry and to reduce the number and cost of complaints for builders and owners. The audits aim to identify areas of a builder's non-compliance with the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* and provide information and education to assist them to comply.

Of the 52 builders audited in 2008/09 eight had no breaches identified, 44 had minor breaches identified and none of these resulted in further investigation. Of those audited, four were follow-up audits, of which one resulted in no breaches being identified.

Surveillance

In 2008/09, the Board conducted 2 industry surveillance campaigns in the metropolitan area focusing on signage compliance with the *Builders' Registration Act 1939*. This resulted in 1,115 building sites being visited of which 93% complied.

During the year the Board issued 141 infringement notices valued at a total of \$6,240. Of these, 114 were issued to builders and 27 were issued to owner-builders.

Investigations

In 2008/09 the Board completed 334 investigations into offences against the *Builders' Registration Act 1939* and *Home Building Contracts Act 1991*. As at 30 June 2009, 38 matters were awaiting investigation.

INVESTIGATIONS COMPLETED		
NO OF INVESTIGATIONS	ACT* AND SECTION	NATURE +
1		No breach identified
68	BRA section 4	Unregistered building and/or holding out to be a registered builder
7	BRA section 4A(2)(a) + (b)	Undervalue of building work to local government
1	BRA section 4A(2)(c)	Stating false registration or qualification to local government
6	BRA section 4A(2a)	Owner-builder incorrect or no sign on building site
1	BRA section 9AA	Failure to notify Board of change of address
1	BRA section 10 (3aa)	Failure to notify the Board of the cessation of a nominated supervisor who is either the director of a company (or a member of the board of management), or partner of a partnership
1	BRA section 10 (3ab)	Failure to notify the Board of cessation of employment of a nominated supervisor
1	BRA section 10AA	Individual registered builder not managing and supervising the work in accordance with the BRA
1	BRA section 10C	Nominated supervisor's name and registration number not appearing on builder's site sign
52	BRA section 12A(4)	Failure to comply with a Building Disputes Tribunal order to remedy/pay
1	BRA section 13(1)(b)	Convicted of indictable offence following registration
22	BRA section 13(1)(ba)	Insufficient material and financial resources
37	BRA section 13(1)(c)	Negligence and incompetence and/or convicted of BRA offence
6	BRA section 13(1)(ca)	Failure to manage and supervise as required
14	BRA section 13(1)(d)	Fraudulent conduct
24	BRA section 13(1)(da)	Harsh/unconscionable or misleading conduct
1	BRA section 13(1)(db)	Failure to comply with an order of the Building Disputes Tribunal
1	BRA section 16(1)(c)	Disobedience of order of Board or breach of regulation
8	HBCA section 4	Contracts and statutory notice
4	HBCA section 7(3)	Variation of contract
62	HBCA section 10	Deposits and progress payments
1	HBCA section 12	Understatement of prime costs and/or provisional sums

INVESTIGATIONS COMPLETED		
NO OF INVESTIGATIONS	ACT* AND SECTION	NATURE ⁺
2	HBCA section 14	Cost plus contracts
2	HBCA section 17(6)	Failure to comply with a Building Disputes Tribunal order to pay
2	HBCA section 25C(1)	No home indemnity insurance supplied by builder
2	HBCA section 25C(2)	Deposit demanded prior to home indemnity insurance in place
2	HBCA section 25F	No home indemnity insurance supplied by owner-builder
3	HBCA section 25FA(1)	Owner-builder sold land within 3 years of building licence date without Minister's consent

* BRA = Builders' Registration Act 1939 and HBCA = Home Building Contracts Act 1991

⁺ primary allegation being investigated

As at 30 June 2009, there were 63 investigations in progress:

INVESTIGATIONS IN PROGRESS		
NO OF INVESTIGATIONS	ACT* AND SECTION	NATURE ⁺
18	BRA section 4	Unregistered building and/or holding out to be a registered builder
1	BRA section 10 (3ab)	Failure to notify the Board of cessation of employment of nominated supervisor
9	BRA section 12A(4)	Failure to comply with a Building Disputes Tribunal order to remedy/pay
1	BRA section 13(1)(ba)	Insufficient material and financial resources
11	BRA section 13(1)(c)	Negligence and incompetence and/or convicted of BRA offence
4	BRA section 13(1)(ca)	Failure to manage and supervise as required
4	BRA section 13(1)(d)	Fraudulent conduct
6	BRA section 13(1)(da)	Harsh/unconscionable or misleading conduct
1	BRA section 13(1)(ea)	Failure to comply with condition of registration
2	HBCA section 4	Contracts and statutory notice
4	HBCA section 10	Deposits and progress payments
1	HBCA section 25C(1)	No home indemnity insurance supplied by builder
1	HBCA section 25F	No home indemnity insurance supplied by owner-builder

* BRA = Builders' Registration Act 1939 and HBCA = Home Building Contracts Act 1991

⁺ primary allegation being investigated.

Matters that are not referred for disciplinary action or prosecution may be discontinued for reasons such as:

- formal warning issued;
- insufficient evidence;
- charges withdrawn;
- unable to locate defendant; and
- out of time to prosecute.

Prosecutions and Disciplinary Action

In 2008/09, the Board commenced proceedings against 69 persons/entities for offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* as shown in the table below:

PROCEEDINGS COMMENCED	MATTERS IN PROGRESS AS AT 30/06/09	MATTERS DETERMINED AS AT 30/06/09	TOTAL
Magistrates Court	8	32	40
State Administrative Tribunal	4	25	29
TOTAL	12	57	69

Board Referrals to the State Administrative Tribunal

FOI/5

During 2008/09, the Board referred 29 matters to the State Administrative Tribunal (SAT) for disciplinary action under section 12D of the *Builders' Registration Act 1939*. Of these 18 resulted in a fine, 5 had their registrations cancelled, one voluntarily relinquished their registration and one had their registration suspended. As at 30 June 2009 there were 4 matters pending. Details are set out in the table below:

MATTERS DETERMINED BY THE STATE ADMINISTRATIVE TRIBUNAL				
NAME	DATE DETERMINED	SECTION OF BRA*	FINE \$ OR RESULT	COST \$
Premier Building Solutions Pty Ltd	14/08/08	13(1)	2,500	300.00
Mario Sticca	10/09/08	13(1)(c)	1,000	600.00
GT Constructions Pty Ltd	25/09/08	13(1ba)(b)	Registration Cancelled	
M & J Group Building Pty Ltd	25/09/08	13(1ba)(b)	Registration Cancelled	
DPD Pty Ltd	01/10/08	13(1)(da)	5,000	339.50
Daren Paul Deen	01/10/08	13(1)(da)	2,500	339.50
Auslee Builders Pty Ltd	22/10/08	13(1ba)(b)	Registration Cancelled	
Southdown Constuction Co Pty Ltd	18/11/08	13(1ba)(b)	Registration Cancelled	
Christopher Stephen Brook	17/12/08	13(1)(c)	1,500	500.00
Kemmish Nominees Pty Ltd	22/01/09	13(1)(c)	6,500	212.93
Eion Samuel Martin	22/01/09	13(1)(c)	1,500	212.93
PH3 Property Group Pty Ltd	04/03/09	13(1ba)	Voluntarily relinquished registration	
Bernard Elliott	13/03/09	13(1)(c)	5,000	1,328.50

MATTERS DETERMINED BY THE STATE ADMINISTRATIVE TRIBUNAL

NAME	DATE DETERMINED	SECTION OF BRA*	FINE \$ OR RESULT	
Cherramay Pty Ltd	19/03/09	13(1)(da) 13(1)(aa)	Registration Cancelled	
Jamie Little	19/03/09	13(1)(da) 13(1)(aa)	Registration Suspended	
Q Contracting Pty Ltd	26/03/09	13(1)(da)	10,000	419.00
WLJ Nominees Pty Ltd	22/04/09	13(1)(da)	2,500	1000.00
William James Sutton	22/04/09	13(1)(da)	500	-
Eclipse Developments (WA) Pty Ltd	27/05/09	13(1)(ca)	5,000	364.50
Peter Wright	27/05/09	13(1)(ca)	500	364.50
Konstruct WA Pty Ltd	28/05/09	13(1)(c)	6,000	700.00
Scott Park Homes Pty Ltd	02/06/09	13(1)(da)	16,100	194.75
Kenneth Ronald Scoble	02/06/09	13(1)(da)	500	194.75
Giuseppe Natale Marchese	02/06/09	13(1)(da)	4,000	194.75
Paul Silvestro	02/06/09	13(1)(da)	4,000	194.75
TOTAL			\$74,600	\$7,460.36

*BRA = Builders' Registration Act 1939

Prosecutions

Section 21 of the *Builders' Registration Act 1939* and section 31 of the *Home Building Contracts Act 1991* authorises the Registrar of the Board to take prosecution action against persons alleged who have breached the provisions of those Acts.

The prosecutions undertaken by the Board in the following table were determined in 2008/09, amounting to 32 prosecutions for 121 offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

PROSECUTIONS					
NAME	ACT*	SECTION+	NO OF CHARGES	FINES \$	COSTS \$
AllBlack One Pty Ltd	BR Act	4(1)(A)(b)	2	2,000.00	808.70
Andrew Mann	BR Act	4(1)(B)	2	700.00	452.25
Antonio Fiorentino	HBC Act	10(1)(a)	1	800.00	217.50
Antonio Fiorentino	HBC Act	17(6)	1	400.00	217.50
Archer Building Co Pty Ltd	BR Act	12A(4)	1	2,000.00	302.70
Bettabet Pty Ltd	HBC Act	10(1)(a)(i)	2	500.00	89.24
Bettabet Pty Ltd	BR Act	4(1)(A)(b)	2	500.00	89.24
Bettabet Pty Ltd	BR Act	4A(2)(c)	1	250.00	44.62
Cheval Constructions Pty Ltd	HBC Act	4(4)	3	2,118.75	67.26
Cheval Constructions Pty Ltd	HBC Act	10(1)(a)	3	2,118.75	67.14
Cheval Constructions Pty Ltd	HBC Act	25C(1)	2	1,412.50	44.76
Cheval Constructions Pty Ltd	BR Act	4A(2)(a)	3	2,118.75	67.14

PROSECUTIONS					
NAME	ACT*	SECTION+	NO OF CHARGES	FINES \$	COSTS \$
Cheval Constructions Pty Ltd	BR Act	12A(4)	1	706.25	22.38
Cheval Constructions Pty Ltd	BR Act	10(1)(A)(b)	4	2,825.00	89.52
Dirk van Duyn	HBC Act	25C(1)	2	1,332.00	119.40
Dirk van Duyn	BR Act	4(1)(A)(b)	4	2,668.00	238.80
Eclipse (WA) Pty Ltd	HBC Act	4(4)	1	250.00	130.50
Eclipse (WA) Pty Ltd	HBC Act	10(1)(a)(i)	1	250.00	130.50
Firm Construction Pty Ltd	BR Act	4(1)(A)(b)	1	1,500.00	129.35
Firm Construction Pty Ltd	BR Act	4(1)(A)(d)	1	1,500.00	129.35
Glen Christian	BR Act	12A(4)	1	1,500.00	304.60
Infinity (WA)	HBC Act	10(1)(a)(i)	1	1,000.00	258.70
John David Potts	HBC Act	17(6)	1	500.00	212.85
John David Potts	HBC Act	12A(4)	1	500.00	212.85
Kalmar Pty Ltd	BR Act	10(1)(a)(i)	5	3,000.00	130.85
Kalmar Pty Ltd	HBC Act	4(4)	2	1,000.00	52.30
Kalmar Pty Ltd	BR Act	4(1)(A)(b)	2	1,000.00	52.30
Kalmar Pty Ltd	BR Act	4A(2)(a)	1	500.00	26.17
Karen Casley	HBC Act	17(6)	1	1,000.00	394.70
Lindsay Gregory	HBC Act	25C(1)	1	4,000.00	220.80
Lindsay Gregory	BR Act	4(1)(A)(b)	1	4,000.00	220.80
Mal Afrasiabi	HBC Act	4(4)	2	250.00	149.48
Mal Afrasiabi	HBC Act	7(3)	1	100.00	74.74
Mal Afrasiabi	HBC Act	10(1)(a)	1	1,000.00	74.74
Mal Afrasiabi	HBC Act	25C(1)	1	1,000.00	74.74
Mathew Shaun Davey	HBC Act	25C(1)	1	1,500.00	64.67
Mathew Shaun Davey	BR Act	4(1)(A)(b)	1	1,500.00	64.68
Mathew Shaun Davey	BR Act	4(1)(B)	2	3,000.00	129.36
Nicolai Struan	HBC Act	4(4)	2	1,536.36	47.04
Nicolai Struan	HBC Act	7(3)	1	768.18	23.52
Nicolai Struan	HBC Act	10(1)(a)(i)	2	1,536.36	47.04
Nicolai Struan	HBC Act	25C(1)	2	1,536.36	47.04
Nicolai Struan	BR Act	4(1)(A)(b)	2	1,536.36	47.04
Nicolai Struan	BR Act	4A(2)(a)	2	1,536.36	47.04
Pakonia Teroi	HBC Act	4(4)	1	1,000.00	87.06
Pakonia Teroi	HBC Act	10(1)(a)(i)	1	4,000.00	87.06
Pakonia Teroi	HBC Act	17(6)	1	4,000.00	87.06
Pro-Built Landscape Builders Pty Ltd	HBC Act	4(4)	1	500.00	310.22
Pro-Built Landscape Builders Pty Ltd	HBC Act	10(1)(a)	1	1,000.00	310.22
Pro-Built Landscape Builders Pty Ltd	HBC Act	10(1)(b)	1	1,000.00	310.22
Pro-Built Landscape Builders Pty Ltd	HBC Act	7(3)	1	100.00	310.22
Pro-Built Landscape Builders Pty Ltd	BR Act	12A(4)	1	2,500.00	310.22
Rod Goodchild	BR Act	12A(4)	1	2,000.00	354.75

PROSECUTIONS					
NAME	ACT*	SECTION+	NO OF CHARGES	FINES \$	COSTS \$
Ross Blechynden	BR Act	12A(4)	1	250.00	349.70
Sarang Pty Ltd	HBC Act	25C(1)	1	750.00	352.80
Sarang Pty Ltd	BR Act	4(1)(A)(b)	2	1,500.00	352.80
Sarang Pty Ltd	BR Act	4(A)(2)(a)	2	2,000.00	352.80
Steve Preston	HBC Act	4(4)	4	16,600.00	2,692.00
Steve Preston	HBC Act	4(1)(A)(b)	2	8,300.00	1,346.00
Steve Preston	HBC Act	10(1)(a)(i)	1	4,150.00	673.00
Steve Preston	HBC Act	25C(1)	1	4,150.00	673.00
Shedco Group Pty Ltd	HBC Act	4(4)	3	3,999.99	86.22
Shedco Group Pty Ltd	HBC Act	10(1)(a)(i)	1	1,333.33	57.48
Shedco Group Pty Ltd	BR Act	4(1)(A)(b)	4	5,333.32	114.96
Solution Liquid Limestone	HBC Act	4(1)	1	350.00	129.35
Taya Amelia Lynch	BR Act	4(1)(A)(b)	2	500.00	305.82
The Aaron Group Pty Ltd	HBC Act	10(1)(b)(i)	1	8,000.00	35.80
The Aaron Group Pty Ltd	BR Act	4(1)(A)(b)	1	8,000.00	35.80
The Aaron Group Pty Ltd	BR Act	10(5)	2	8,000.00	71.60
Theodorus Lemmers	HBC Act	10(1)(a)(i)	1	1,000.00	180.80
Theodorus Lemmers	HBC Act	4(4)	1	1,000.00	180.80
Theodorus Lemmers	HBC Act	25C(1)	1	1,000.00	180.80
Theodorus Lemmers	BR Act	4(1)(A)(b)	1	1,000.00	180.80
Tyrucas Pty Ltd	HBC Act	17(6)	1	5,000.00	394.70
Tyrone G Dunstan	BR Act	12A(4)	1	1,500.00	114.00
William Michael Elsegood	BR Act	4(1)(A)(b)	2	2,000.00	808.70
TOTAL			121	\$162,566.62	\$18,272.66

* BR Act = *Builders' Registration Act 1939* and HBC Act = *Home Building Contracts Act 1991*

+ *offence being prosecuted.*

Building Inspections

Section 12B of the *Builders' Registration Act 1939* provides the Registrar with the discretion to cause an inspection of building work.

Building inspections are undertaken free of charge either upon the request of an owner or builder, to prepare assessments in relation to workmanship complaints lodged with the Building Disputes Tribunal, or at random as part of the Board's compliance program. All inspections are conducted by building inspectors employed by the Board.

In 2008/09 the Board carried out 683 building inspections. Of these:

- 484 were conducted to prepare assessments in relation to complaints lodged with the Building Disputes Tribunal
- 21 were conducted upon the builder's or owner's request
- 178 were random inspections of building work to assess compliance with the Building Code of Australia and Australian Standards

Of the 178 random inspections conducted, 124 reports were issued to builders requesting details of the remedial work that was or will be undertaken. Failure by a builder to action the items identified may result in the issue of an order to remedy unsatisfactory building work in accordance with section 12A of the *Builders' Registration Act 1939*. There were no orders to remedy issued as a result of an inspection during the reporting period.

Items of complaint assessed by Board inspectors whilst carrying out inspections in relation to workmanship complaints lodged with the Building Disputes Tribunal are set out in the table below:

COMPLAINT ITEM ASSESSED BY BOARD INSPECTORS	2007/08 (%)	2008/09 (%)
Brickwork	7.3	6.3
Ceiling	7.2	7.1
Ceiling and roof frame	6	4.7
Concrete paving	3.7	3.8
Doors and windows	7.6	8.9
Earth footings	1.5	1.4
Fixing and joinery	7.9	7.7
Flashings	5.5	4.6
House site cleaning	1.6	1.1
Painting	7.4	7.0
Plumbing	6.3	5.9
Roof cover	7.0	8.0
Slab floor	3.2	2.9
Solid plastering	7.8	7.9
Swimming pool	0.7	1.5
Termites	0.1	0.3
Timber floor	1.8	2.6
Wall and floor tiling	8.3	9.0
Wall frame	0.9	1.3
Water ingress and egress	8.2	8.3
TOTAL	100	100

Dispute Resolution

Key Activities

To enable the Board to deliver positive outcomes in the area of Dispute Resolution, the following activities are undertaken:

- Receive and process complaints.
- Refer workmanship complaints for a building inspection where appropriate.
- Conduct building inspections for parties to a dispute and provide parties with a notice of assessment.
- Attend and provide evidence at Building Disputes Tribunal hearings.
- Refer notices of assessment to the Registrar/Deputy Registrar for the issue of orders under delegated authority.
- Coordinate Building Disputes Tribunal hearings.
- Receive and process the filing of all documents and evidence.
- Prepare complaints for determination by the Building Disputes Tribunal.
- Process requests for reasons for decision.

The Building Disputes Tribunal

FOI 3/5

The Building Disputes Tribunal (the Tribunal) is established under section 26 of the *Builders' Registration Act 1939*. The Tribunal's jurisdiction is conferred on it by section 12A of the *Builders' Registration Act 1939* and by section 17 of the *Home Building Contracts Act 1991*, the latter of which covers the entire State of Western Australia.

The Tribunal provides a straightforward, inexpensive forum for adjudicating building disputes about workmanship and contractual issues relating to lump sum home building contracts. Section 3(1a) of the *Builders' Registration Act 1939* provides authority for the Tribunal to issue orders to remedy faulty or unsatisfactory building work statewide.

The Board is required under section 34 of the *Builders' Registration Act 1939* to meet all expenditure necessary for the functioning of, and collection of any fees payable to, the Tribunal. The Tribunal is an independent quasi-judicial body separate from the Board.

Building Disputes Tribunal Members

The Chairperson and all Building Disputes Tribunal members are appointed by the Minister for Commerce under sections 27 and 28 of the *Builders' Registration Act 1939*.

The Chairperson of the Building Disputes Tribunal, Mr Mark Cuomo, is a legal practitioner and is also Chairperson of the Board. There are nine Deputy Chairpersons who are also legal practitioners, 12 consumer representatives, 12 nominees from the Housing Industry Association and 12 nominees from the Master Builders Association.

Complaints Lodged with the Building Disputes Tribunal

In 2008/09 there were 799 complaints lodged with the Building Disputes Tribunal under the categories set out below:

CATEGORY OF COMPLAINT	2007/08 NUMBER	2008/09 NUMBER	PERCENTAGE CHANGE
Workmanship	616	597	-3.08
Contractual	105	92	-12.4
Workmanship & Contractual	97	110	+13.4
TOTAL	818	799	-2.3

The persons against whom complaints are made or, who respond to a complaint in the Building Disputes Tribunal (known as 'the respondent') comprise four categories, as indicated by the following table:

COMPLAINTS BY RESPONDENT CATEGORY	2007/08	2008/09	PERCENTAGE CHANGE
Registered Builders	573	527	-8.0
Unregistered Persons/Entities	216	240	+11.1
Owners	25	24	-4
Owner-Builders	4	8	+100
TOTAL	818	799	-2.3

The type of work to which each complaint relates is shown in the table below:

TYPE OF BUILDING WORK	2007/08 NUMBER	2008/09 NUMBER	PERCENTAGE CHANGE
New Home	525	431	-17.9
Additions	54	87	+61.1
Commercial	4	9	+125.0
Renovations/Trades	116	161	+38.8
Landscaping	12	5	-58.3
Patios & Pergolas	47	34	-27.6
Swimming Pools & Spas	21	25	+19.0
Other	39	47	+20.5
TOTAL	818	799	-2.3

Orders Made by the Building Disputes Tribunal

Section 12A of the *Builders' Registration Act 1939* and section 17 of the *Home Building Contracts Act 1991* provide the Building Disputes Tribunal with the power to make orders to remedy or orders to pay. Orders to remedy require the builder to rectify faulty or unsatisfactory workmanship, while orders to pay may be made against either the builder or the owner to pay for the rectification work to be completed, or in relation to costs or money owed under the terms of the home building contract.

Under section 33A of the *Builders' Registration Act 1939*, the Building Disputes Tribunal may delegate its power to the Registrar and Deputy Registrar where the amount of the order does not exceed \$5,000.

The Building Disputes Tribunal made 612 orders in 2008/09, comprising 418 orders to remedy and 194 orders to pay. Of these, 268 matters were determined under delegation. Details of all orders made are provided in the following table:

ORDERS MADE BY THE BUILDING DISPUTES TRIBUNAL	2007/08	2008/09	PERCENTAGE CHANGE
Orders to Remedy (Tribunal)	129	152	+17.8
Orders to Remedy (under delegation)	296	266	-10.1
Orders to Pay (Tribunal)	208	192	-7.6
Orders to Pay (under delegation)	1	2	+100.0
TOTAL	634*	612	-3.5

*Not inclusive of dismissals or other orders

In addition to the orders listed above, the Building Disputes Tribunal made 531 other decisions, including dismissals, adjournments, directions and determinations on whether it has the jurisdiction to hear particular cases.

Value of Orders to Pay Made by the Building Disputes Tribunal

The values of the orders made by the Building Disputes Tribunal in 2008/09 were as follows:

VALUE OF ORDERS TO PAY	2007/08 \$	2008/09 \$
Issued by Disputes Tribunal	1,329,292	2,145,454
Issued under Delegation	540	1,241
<i>Allocation</i>		
Owner to Pay Builder	319,024	149,711
Builder to Pay Owner	1,010,808	1,996,983

Reasons for Decision

FOI/7A

Pursuant to section 40 of the *Builders' Registration Act 1939* a party to a dispute may request the Building Disputes Tribunal to provide written reasons for decision within 14 days of the decision being made. In 2008/09 the Building Disputes Tribunal was requested to provide written reasons for decision in 51 matters.

Reasons for decision are available to search and download from the Building Disputes Tribunal website.

Sittings

FOI/5

In 2008/09 the Building Disputes Tribunal sat on 345 days to hear 697 matters. These included 201 preliminary/direction/jurisdiction hearings and 124 part-heard hearings resulting from adjournments. Twenty three cases were referred for mediation.

Ratio of Complaints to Building Licences Approved

In 2008/09 the proportion of complaints lodged with the Building Disputes Tribunal to the number of building approvals issued by local governments increased from the previous period.

The figures in the following table are based on the total number of building approvals, irrespective of value.

COMPLAINTS/BUILDING LICENCES APPROVED	2006/07	2007/08	2008/09
Building Licences *	25,077	22,592	19,336
Complaints	811	818	799
Ratio	1:31	1:28	1:24

**Total dwelling units approved, including new and extensions/additions
(Source: Australian Bureau of Statistics Building Approvals June 2009)*

Funding of the Building Disputes Tribunal

As required under section 34 of the *Builders' Registration Act 1939*, the Board funds the Tribunal and provides staff and administrative support to assist it to carry out its functions.

In 2008/09 the Board spent \$1,270,103 on the dispute resolution process. This does not include the cost of providing building inspections for parties to a dispute. The Board did not impose any restriction on the operations of the Tribunal during the reporting period.

Income and Expenditure

The financial statement of the cost of managing the dispute resolution process is set out in the following table:

INCOME	\$
Supply of Transcription	21,421
Complaint Fees	22,196
Tribunal Costs	1,500
Total	45,117
EXPENDITURE	\$
Disputes Tribunal Hearing Fees	802,668
Employee Costs	432,967
Tape Transcription	29,958
Office Support Costs	4,510
Total	1,270,103

Education and Awareness

Key Activities

To enable the Board to deliver positive outcomes in the area of Education and Awareness, the following activities are undertaken:

- Promote awareness of the Board's role and legislative requirements.
- Produce publications, present information and undertake other awareness raising activities for consumers and industry participants.
- Maintain information on the Board and Building Disputes Tribunal websites.
- Sponsor industry and training awards.

The Board carries out building information and educational activities as required under section 8(1)(fa) of the *Builders' Registration Act 1939*.

During 2008/09 the Board's objective to raise community and industry awareness of its services, and the requirements of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, was met by carrying out the following activities.

Stakeholder Education

- In 2008/09, the Board commenced an industry awareness initiative to new 'building related' businesses registered with the Department of Commerce's Business Names Register. Approximately 2,600 letters and brochures were distributed to business owners explaining the requirements of builder's registration and their contractual obligations under the *Home Building Contracts Act 1991*.
- To increase awareness of the responsibilities, risks and obligations undertaken by owner-builders, a new publication called 'Thinking of Building and Renovating Your Own Home' and a 'Warning Owner-builders' poster and flyer were developed. These were distributed to all local government offices and provided to potential owner-builders before obtaining a building licence.

Marketing

The Board continued to increase awareness and promote its services in 2008/09 by carrying out the following marketing activities:

- Production and placement of prominent signage at Home Base Expo, Wembley.
- Rebranding of publications and educational material with the State Government's new logo.
- Creating and implementing a new corporate image for publications.

Public Relations

In 2008/09 the Board took advantage of a number of opportunities to increase community awareness of its functions by contributing articles to the following publications:

- The Starting Point - The complete guide to building your home.
- Australian Institute of Builders newsletter.

The Board also issued the following media releases:

- "Builders' Registration Board visit Kalgoorlie-Boulder" – Feb'09
- "Unregistered builder fined \$32,000" – Feb'09
- "Unregistered builders fined for leaving consumer \$75,000 out of pocket" – May'09.

Exhibitions

In 2008/09 the Board participated at the following industry/consumer exhibitions in both metropolitan and regional areas:

- Austral Bricks Home Show, August 2008;
- Design Build Expo, October 2008;
- Radio West (Bunbury) Ideal Home Show, October 2008;
- Ideal Home Show, March 2009;
- MBA North West Expo (Broome), May 2009;
- Master Builders Association Home and Sustainability Show, June 2009; and
- Australian Institute of Building Surveyors 2008 National Conference.

The Board received 883 enquiries from visitors to the exhibits, of which 65% related to owner-builders. Information and publications were made available to increase community awareness of the Board and its services.

Publications

FOI/7a

During the reporting period the Board revised, reprinted and distributed forms and publications to increase community awareness about the requirements of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*. The publications and their distribution are listed below:

- Builders' Registration Board quarterly newsletter (16,000 copies);
- Thinking of Building or Renovating Your Home? (17,000 copies);
- Resolving Building Disputes (9,000 copies);
- Home Building Contracts Act (13,000 copies);
- So You Want to be a Builder (5,000 copies); and
- Site Investigations (1,000 copies).

In total 61,000 copies were distributed to stakeholders such as industry associations, local government, education providers, members of Parliament, community legal services and the Small Business Development Corporation. Copies were also made available at consumer and industry exhibitions and from the Board and Building Dispute Tribunal's reception areas.

The introduction of the Board's e-newsletter and online subscription facility reduced the demand for hardcopy newsletters by approximately 8,000 during the year.

Information Seminars

In 2008/09 the Board presented information to the following stakeholders:

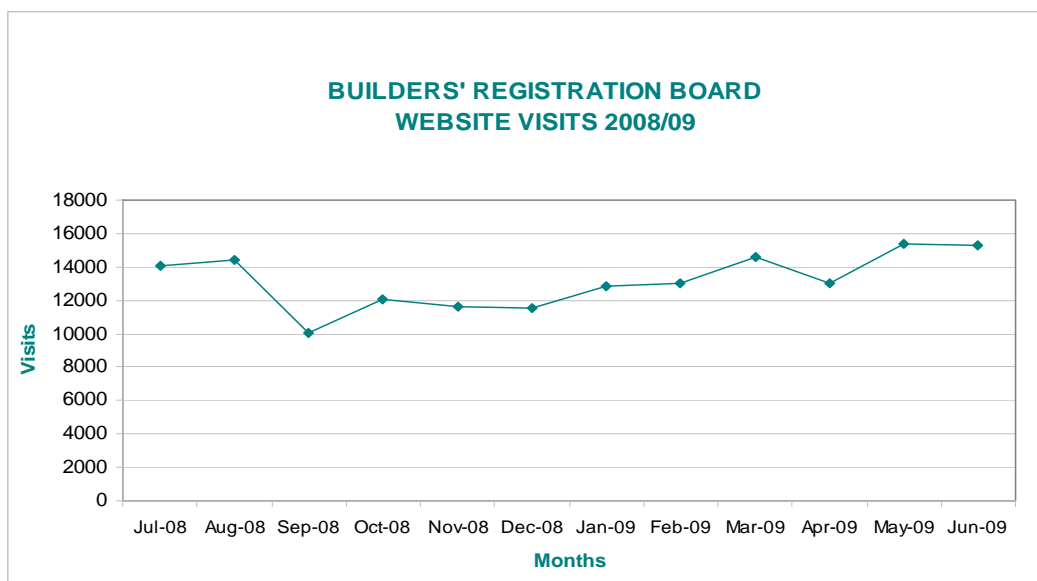
- Builders Licensing Australasia
- Local government building surveyors (metropolitan and regional areas)
- Bunbury building industry
- Kalgoorlie building industry
- Home Base Expo Owner-Builders seminars
- Strata Titles Institute of WA

Websites

The Board and Building Disputes Tribunal websites provide up to date information on the Board's activities and services including a search of the register of builders, reasons for decision, forms and publications, and an online payment facility.

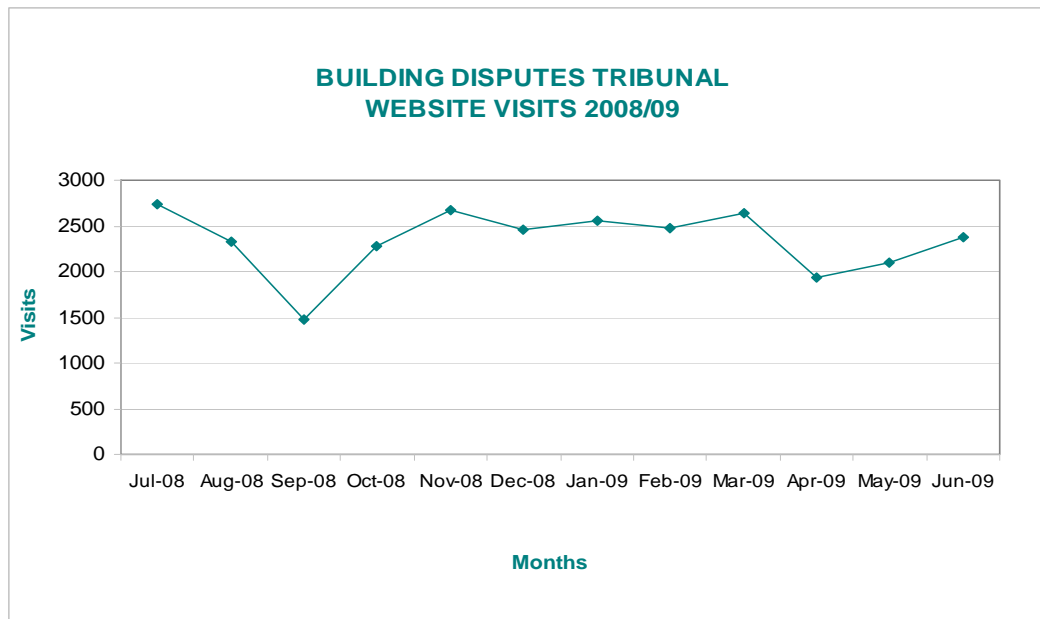
In 2008/09, the Board maintained all website content and continued to review and improve information and website services. A new feature "What's New" was launched to highlight events and important information, including the results of successful prosecutions and disciplinary action, publications, press releases and new website content. The Building Disputes Tribunal website was improved with the addition of an online complaint form.

During 2008/09, the Board's website received 157,907 visits, averaging 13,160 visits per month. This represented an increase of 48,670 visits or 44.5 per cent from the previous reporting period.



The most popular download from the Board's website was the Register of Builders, which was accessed 20,530 times, almost double the number of downloads for the previous year.

The Building Disputes Tribunal website received 28,907 visits, averaging 2,409 visits per month.



The most popular download from the Building Disputes Tribunal's website was previous reasons for decision. During the reporting period 10,418 reasons for decision were downloaded.

Sponsorships and Awards

In 2008/09, the Board supported high standards in building work, contract management and customer service by the sponsorship of the following industry awards and events:

- Five Master Builders Association Excellence in Building Practice Awards held in metropolitan and regional areas.
- Five Housing Industry Association Housing Excellence Awards held in metropolitan and regional areas.
- Australian Institute of Building Surveyors 2008 National Conference.
- Eight Home Base Expo Owner-Builder Seminars.
- Central TAFE Award for Best Graduating Student in the Diploma of Builders' Registration.

CURRENT AND EMERGING ISSUES AND TRENDS

Building Activity

The Board continues to monitor building activity to ensure that ongoing demands in areas of registration, dispute resolution, compliance and education are met.

The total number of dwelling units approved in Western Australia declined from 22,592 in 2007/08 to 19,336 in 2008/09*, indicating a continued slowing of the building industry. This was the second consecutive year recording a decrease in building approvals.

This decline in building approvals correlates with the reduced owner-builder activity reported by the Board over the past two years, and the slight decrease in complaints to the Building Disputes Tribunal. Despite this trend the Board's workload remained at high levels with an increase in the number of applications for registrations, and an increased number of prosecutions and disciplinary actions referred to the State Administrative Tribunal.

Statistics suggest that the housing market is beginning to show some early signs of recovery as the trend estimate for the total number of dwelling units approved in Western Australia rose by 3.1 per cent in June 2009, following similar increases in the previous five months*.

Regional activity remained largely consistent with metropolitan activity recording negative growth in building approvals. The only exception to this was the Pilbara region, which recorded a 51 per cent* increase in building approvals from the previous year's total. This can be attributed to the region's mining and petroleum industries attracting skilled people world wide, as well as the future Gorgon gas development project that proposes to provide employment for 6000 construction workers.

Registration

The Board has seen an upward trend in the number of builders applying for registration in Western Australia through mutual recognition provisions.

Since 2006/07 the number of mutual recognition applications for registration has more than doubled, with an increase of 34.7 per cent in 2008/09.

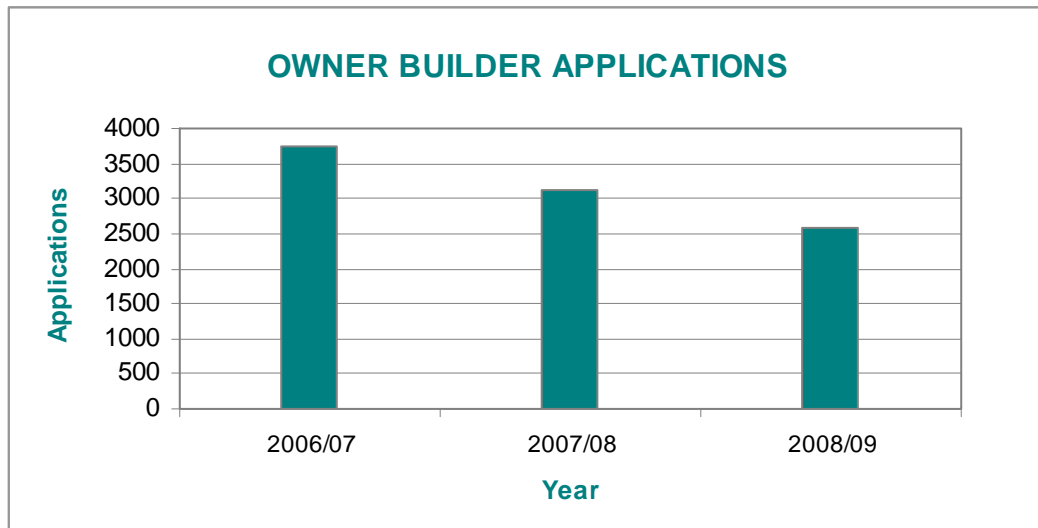
This increase may be attributed to the sustained labour demand for skilled construction workers in Western Australia that has attracted applicants from other states. It may also be assisted by the efforts of the Council of Australian Governments (COAG) to improve the system of mutual recognition and the implementation of a website at www.licencerecognition.gov.au, which allows the user to view a licence entitlement in another state or territory, based on the currently-held licence.

* (Source: Australian Bureau of Statistics – Building Approvals Australia June 2009)

Owner-Builder Activity

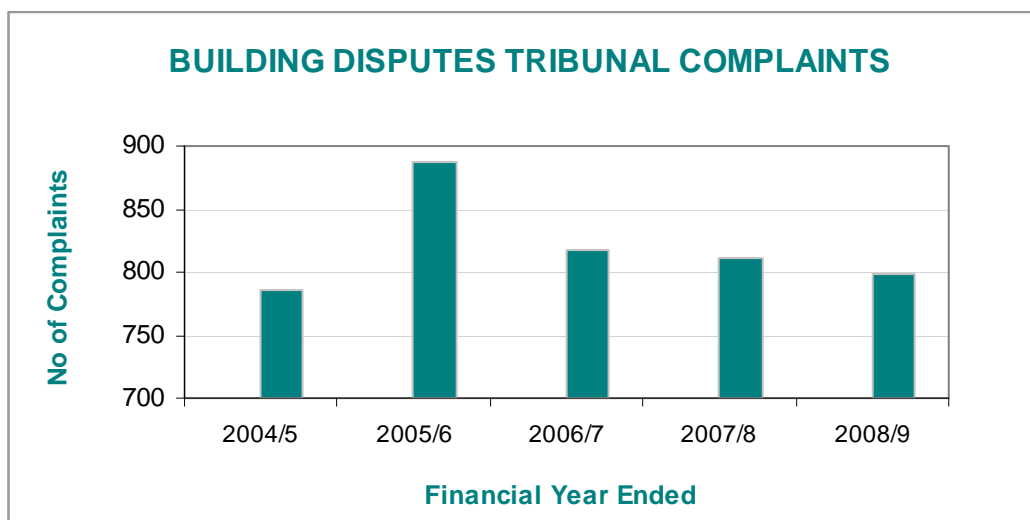
In 2008/09, the Board processed 2,581 owner-builder certificates, representing a decrease of 17.4 per cent on the previous reporting period. This decrease is possibly due to the increased availability of registered builders that has resulted from a decline in building activity, and the Board's efforts to inform the community about the risks and obligations associated with owner-building.

The number of owner-builder applications received over the past three years has been trending downwards as shown below:



Dispute Resolution

The Building Disputes Tribunal has received a continuous demand for its services over the past five years. The number of complaints received by the Tribunal is shown below.



Changes in Written Law

In 2008/2009, the schedule in the *Builders' Registration Regulations* was amended to provide for an increase in the Board's fees and charges. The fees and charges, which increased by an average of 4.2%, relate to annual registration fees, application fees, owner-builder fees and charges for certificates and hard copies of the register of builders and was in line with the Consumer Price Index increase.

Likely Developments and Forecast of Operations

Building Commission

The State Government is proceeding with plans to consolidate building regulation carried out by the Builders' Registration Board, Painters' Registration Board, Plumbers Licensing Board and the Building Industry Development directorate of the former Department of Housing and Works into a new Building Commission, a division of the Department of Commerce.

Legislation is being developed to transfer the operations, staff and assets of the Board to the Building Commission. Pending the enactment of the new legislation, the Board will continue to carry out its statutory functions independently under the *Builders' Registration Act 1939*.

In September 2009, the Board will relocate into the new premises of the Building Commission at 31 Troode Street, West Perth. The future operations and location of the Building Disputes Tribunal is currently unclear, as it is proposed to transfer the functions of the Building Disputes Tribunal to the State Administrative Tribunal.

In the meantime, the Building Disputes Tribunal will therefore continue to operate under its current arrangement and from its current location at 18 Harvest Terrace, West Perth with the continued financial and administrative support of the Board.

National Licensing

Currently any person holding a current licence or registration as a builder in another state or territory is eligible to apply for builders' registration in Western Australia through Mutual Recognition.

In April 2009, the Council of Australian Governments (COAG) endorsed an agreement for a unified national licensing system for a variety of occupational areas, including building.

Western Australia, along with other states and territories have agreed to begin the implementation process for the national licensing system, which is scheduled to commence 1 July 2013.

Proposals for Improving Operations

The Board aims to continue to improve the functions and services it provides to the community by addressing issues and trends as part of its strategic planning process. The Board's Corporate Plan for 2009/10 contains a number of initiatives, a summary of which is provided below.

Registration

- Complete data cleansing of the information relating to registered/unregistered builders stored in the Board's corporate database Synergy.
- Continue to allocate one temporary staff officer to provide registrations processing support during the period of time staff will be undertaking the procedures manual and data cleansing projects.
- Review all application forms for registration.

Compliance

- Continue monthly challenge reviews of all investigations.
- Continue targeting active registered builders under the audit program.
- Continue to monitor compliance with orders made by the Building Disputes Tribunal.

Dispute Resolution

- Continue to monitor compliance with orders made by the Building Disputes Tribunal and refer possible instances of non-compliance to the Board's Compliance section.
- Continue to identify trends in the nature and cause of complaints made to the Building Disputes Tribunal.

Education and Awareness

- Develop an information pack for associated trades on their obligations under the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.
- Enhance the Board's and Building Disputes Tribunal's websites to enable efficient access to other agency's consumer protection information relating to the building industry and promote online subscriptions for the Board's e-newsletter.
- Continue to raise awareness about the role and functions of the Board and Building Disputes Tribunal.

DISCLOSURES AND LEGAL COMPLIANCE

Financial Statements

Section 23A of the *Builders' Registration Act 1939* requires that the accounts and financial statements of the Board shall be audited at the expense of the Board by an auditor appointed by the Board with prior approval of the Minister.

Bentleys was appointed and approved to audit the 2008/09 accounts.

Section 23B of the *Builders' Registration Act 1939* requires that the Board shall on or before 30 September in each year make and submit to the Minister an annual report of its proceedings for the preceding year ending on 30 June together with a copy of the financial statements and the auditor's report.

Section 23B (1a) of the *Builders' Registration Act 1939* requires that the annual report is to contain separate reports on the operations of the Board referred to in section 8B(4)(a) and (b).

A copy of the auditor's report and financial statements including details of the administrative functions of the Board and the management of dispute resolution procedures is at Appendix A.

Ombudsman Complaints

Complaints regarding administrative actions or omissions by the Builders' Registration Board or the Building Disputes Tribunal can be investigated by the State Ombudsman under the provisions of the *Parliamentary Commission Act 1971*.

In 2008/09, two such complaints were investigated by the State Ombudsman.

Ministerial Directives

There were no ministerial directives issued to the Board during the reporting period.

Capital Works

There were no capital works projects undertaken by the Board during the reporting period.

OTHER LEGAL REQUIREMENTS

Other Key Legislation

In addition to the *Builders' Registration Act 1939*, the Board also administers the *Home Building Contracts Act 1991*, the *Builders' Registration Regulations* and the *Home Building Contracts Regulations 1992*.

In the performance of its functions, the Board complies with other legislation, including the following:

- *Corruption and Crime Commission Act 2003*;
- *Criminal Code Act 1995*;
- *Disability Services Act 1993*;
- *Electoral Act 1907*;
- *Electronic Transactions Act 2003*;
- *Equal Opportunity Act 1984*;
- *Evidence Act 1906*;
- *Freedom of Information Act 1992*;
- *Financial Management Act 2006*;
- *Government Employees Superannuation Act 1987*;
- *Government Financial Responsibility Act 2000*;
- *Industrial Relations Act 1979*;
- *Limitation Act 1935*;
- *Minimum Conditions of Employment Act 1993*;
- *Mutual Recognition (WA) Act 2001*;
- *Occupational Safety & Health Act 1984*;
- *Parliamentary Commission Act 1971*;
- *Payroll Tax Assessment Act 1971*;
- *Public Sector Management Act 1994*;
- *Public Interest Disclosure Act 2003*;
- *State Records Act 2000*;
- *State Supply Commission Act 1991*;
- *Stamp Act 1921*;
- *Superannuation and Family Benefits Act 1938*; and
- *Statutory Corporation (Liability of Directors) Act 1996*.

Advertising

In compliance with section 175ZE of the *Electoral Act 1907*, the Board reports that during 2008/09 it incurred no expenditure with media advertising organisations.

Disability Access and Inclusion Plan

In 2008/09, the Board continued to work within the constraints of the present accommodation at 18 Harvest Terrace, West Perth.

In compliance with section 29 of the *Disability Services Act 1993*, the Board will review its Disability Access and Inclusion Plan when the Board and Building Disputes Tribunal move to new premises in 2009/10 as part of the implementation of the Building Commission.

People with disabilities are provided equal opportunity to access the services of the Board, and when required are given access to the services of interpreters. The Board provides persons with disabilities the same level and quality of service as they do other people, including the opportunity to make a complaint, and the inclusion of all persons when seeking public or industry consultation.

A reception area is located on the ground floor, as are the Building Disputes Tribunal hearing rooms, and temporary parking is provided directly in front of the building to enable wheelchair access. Access to some parts of the building currently occupied by the Board is not always possible due to a second floor that can only be accessed via stairs, and the building does not provide disabled toilet facilities.

The Board and Building Disputes Tribunal websites have been designed in accordance with the government Website Content Accessibility Guidelines to reduce the barriers faced by people with disabilities.

Public Sector Standards and Ethical Codes

In compliance with the requirements of section 31(1) of the *Public Sector Management Act 1994* the Board has submitted a response to the Western Australian Public Sector Annual Agency Survey 2008/09.

During 2008/09 there were no claims for breach of the Public Sector Standards, the Western Australian Public Sector Code of Ethics or the Board's Staff Code of Conduct.

To monitor and ensure compliance with the standards and codes the Board has reviewed and updated the Board's Staff Code of Conduct, Inspectors Code of Conduct and has implemented a new Compliance Staff Code of Conduct.

The Board has informed new staff of the requirements of the codes during their induction and existing staff of changes. Access to the standards and codes is made available to staff on the Board's intranet.

Recordkeeping Plan

The State Records Office has agreed that the Board's Record Keeping Plan, which was due to be reviewed in April 2009, be deferred pending the establishment of the Building Commission.

Freedom of Information

FOI/1

In compliance with the *Freedom of Information Act 1992* (FOI Act), the Board provides guidance regarding the application process to obtain information. Board staff ensure that information is provided promptly and at the least possible cost to all persons. An Information Statement is attached at Appendix C.

Those seeking information that is not routinely available are advised of the provisions of the FOI Act, the application process, and all associated costs. Applications are acknowledged in writing and the parties are notified of a decision within 45 days.

In 2008/09, applications and enquiries were directed to:

The Senior Legal Officer
 Builders' Registration Board of WA
 Suite 10, 18 Harvest Terrace
 WEST PERTH WA 6005
 Tel: (08) 9476 1200; Fax (08) 9476 1299

In 2009/10, applications and enquiries are to be directed to:

The Senior Legal Officer
 Builders' Registration Board
 Level 1, 31 Troode Street
 WEST PERTH WA 6005
 Tel; (08) 9476 1200, Fax: (08) 9476 1276

Applications

The Board received one Freedom of Information application in 2008/09.

Charges

FOI/7a

The Board's scale of fees and charges for eligible information is set under the FOI Regulations. Apart from the application fee for non-personal information, charges are discretionary and are as follows:

Personal information about the applicant	No fee
Application fee (for non personal information)	\$30.00
Charge for time dealing with the application (hour/pro rata)	\$30.00
Access time supervised by staff (per hour, or pro rata)	\$30.00
Photocopying staff time (per hour, or pro rata)	\$30.00
Per photocopy	0.20
Transcribing from tape, film or computer	Actual Cost
Duplicating a tape, film or computer information	Actual Cost
Delivery, packaging and postage	Actual Cost

Note: For financially disadvantaged applicants or those issued with prescribed pensioner concession cards, the charge payable is reduced by 25%.

Deposits

Advance deposits may be required based on the estimated charges (25% of cost) and further advance deposit may be required to meet the charges for dealing with the application (75% of cost).

Access Arrangements

FOI/8

Access to documents is granted through inspection, by providing a copy of a document, an audio or video tape, computer disk, transcript of a recorded hearing, shorthand or an encoded document from which words can be reproduced. Where the tape is of a hearing, a transcription only is provided.

Viewing Documents

Documents are available to be viewed at the Board's office during business hours, with a fee charged for the supervised viewing of non-personal documents.

Notice of Decision

FOI/7a

As soon as possible, but no later than 45 days after the application is received, the applicant is provided with a notice of decision, which includes the following details:

- the date when the decision was made;
- the name and position of the officer who made the decision;
- if the document was an exempt document, the reasons for classifying the matter exempt; or the fact that access was given to an edited document; and
- information on the right to review, and the procedures to be followed.

Refusal of Access

Applicants who are dissatisfied with a decision of the Board's officer are entitled to ask for an internal review by the Registrar. Applications have to be received in writing within 30 days of receiving the notice of decision.

All applicants are notified of the outcome of the review within 15 days.

Applicants who disagree with the result can also apply to the Information Commissioner for an external review, the details of which will be passed on to applicants when the internal review decision is issued.

Client Information

FOI/7a

The Board has a number of publications that can be accessed. These include:

Prescribed forms used for:

- Application for registration as a builder and associated forms;
- Owner-builder statutory declaration; and
- FOI requests.

Publications:

- Quarterly newsletter; and
- Annual report.

Pamphlets (at no charge) including:

- So You Want to be a Builder;
- Thinking of Building or Renovating Your Own Home;
- Resolving Building Disputes;
- Site Investigations Before Buying a Block of Land; and

- The Home Building Contracts Act: A guide for those undertaking home building and associated work for others.

Internal documents available on written request include:

- Policy statements;
- Minutes of Board meetings (in an edited form); and
- Reasons for Decision (Board and Tribunal matters).

Information including policies, application forms, reports and the register of builders can be downloaded from the Board's internet site at www.builders.wa.gov.au.

GOVERNMENT POLICY REQUIREMENTS

Corruption Prevention

In compliance with the Public Sector Commissioners Circular No. 2009-25 the Board has implemented a policy and procedure to prevent and reduce the risk of corruption and misconduct.

The Staff Code of Conduct identifies expectations and procedures in relation to conflict of interest, receiving gifts, use of resources, corruption and misconduct. Other information provided to staff is the Board and Tribunal's Public Information Policy and Public Interest Disclosure Information. The Board has a nominated member of staff acting as its Public Interest Disclosure contact officer.

Additional codes of conduct have also been developed for staff in roles of higher risk, such as Building Inspectors and Compliance Staff.

Substantive Equality

The Builders' Registration Board is not represented on the Strategic Management Council and is not required to implement the policy framework for Substantive Equality.

Occupational Safety, Health and Injury Management

In accordance with the Public Sector Commissioner's Circular 2009/11, the Board continued to maintain a high level of workplace health and safety for its employees and visitors during the reporting period.

Statement of commitment

The Board is committed to maintaining a safe and healthy work environment through the creation and implementation of occupational safety and health policies and procedures. A dedicated occupational safety and health committee meets monthly to deal with any relevant issues and to maintain the Board's policies and procedures.

The Board's *Occupational Health and Safety Policy, Procedure and Guidelines* is made available to staff on the Board's intranet and provided to new employees at their induction. The Board's goal each year is to have no workplace injuries or incidents and to reduce the risk of incidents by having staff carefully monitor their own workspace.

Formal Mechanisms

The Occupational Safety and Health committee, comprising of management and two nominated Occupational Safety and Health officers, is responsible for the maintenance and implementation of the Board's policies and procedures and are the mechanism through which all occupational safety and health issues are directed and dealt with.

Procedures are in place so that staff can quickly identify and report any hazards that could pose a risk to workplace safety and health. When a hazard is identified staff are required to alert one of the Occupational Safety and Health officers and follow procedures set out in the *Occupational Health and Safety Policy, Procedure and Guidelines*.

Statement of compliance with injury management requirements

In accordance with the *Workers' Compensation and Injury Management Act 1981* the Board has implemented an Injury Management System and Return to Work Program, to which a member of staff, responsible for the day to day injury management, is appointed to oversee and maintain.

Statement confirming self-evaluation

In accordance with the *Code of Practice – Occupational Safety and Health in the Public Sector*, the Board conducted a self evaluation of its management systems using the prescribed *Checklist of Requirements for Occupational Safety and Health Management System*.

The findings of the evaluation were that the Board had carried out the following:

- Safety and health guidelines, procedures and policies
- Consultative mechanisms
- Training and instruction program
- Regular workplace inspections
- Incident reporting and investigation
- Data collection, analysis/record keeping and reporting
- Emergency procedures
- Injury management
- Regular monitoring and evaluation of performance to ensure continuous improvement
- Processes to manage specific hazards and work organisational issues

Report on performance

In 2008/09 the Board had no fatalities and one 'lost time due to injury/diseases' claim.

INDICATOR	TARGET	PERFORMANCE
Number of fatalities	0	0
Lost time injury/disease incidence rate	0	1.76
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within 28 weeks	100%	100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	> or = 50%	0

The Board is committed to maintaining a safe and healthy work environment and aims to reach the following targets in 2009/10:

- Number of fatalities = 0
- Lost time injury/diseases incidence rate = 0
- Lost time injury severity rate = 0
- Return to work rate = 100%
- Percentage of managers trained in OSH and injury management = >50%

APPENDICES

Appendix A: FINANCIAL STATEMENTS

Board Statement on its Finances

The financial outcome for 2008/09 is an operating deficit of \$982,308, against a budget deficit of \$978,874. This is a result of a modest increase in income being more than offset by an increase in expenditure.

Expenditure significantly increased in the areas of:

- Building Disputes Tribunal Fees as a result of an increase in the Tribunal sittings.
- Depreciation expenses resulting from a property revaluation.
- Salaries and long service leave.

The Board is confident that it will have financial resources to carry out its statutory functions in a systematic and orderly manner for 2009/10. The Board remains committed to applying its financial resources to the benefit of the West Australian community and building industry in its current role as an independent statutory authority.



Mark Cuomo
CHAIRPERSON



Kim Fare
REGISTRAR

Statement by Registrar for the period 1 July 2008 to 30 June 2009

In the opinion of the Registrar of the Board, the financial statements as set out on pages 46 to 55:

1. Presents fairly the financial position of the Builders' Registration Board of Western Australia as at 30 June 2009 and its performance for the 12 month period ended on that date in accordance with the accounting policies described in Note 1 to the Financial Statements.
2. The report has been properly prepared by a competent person.
3. a) The Board has kept such accounting records as to correctly record and explain the transactions and financial position of the Board.
b) The Board has kept its accounting records in such a manner as would enable true and fair accounts of the Board to be prepared from time to time.

At the date of this statement, there are reasonable grounds to believe that the Board can meet its debts as and when they fall due.



Kim Fare
REGISTRAR

Dated this 10th day of September 2009



Independent Audit Report

To the Minister for Consumer Protection of The Builders' Registration Board

**Bentleys Audit
& Corporate (WA) Pty Ltd**
ABN 33 121 222 802

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12 Kings Park Road
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Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Builders' Registration Board, which comprises the balance sheet as at 30 June 2009 for the year then ended, the income statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the board.

Boards' Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the requirements of section 23(1) of the Builders' Registration Act 1939 (as amended), and are appropriate to meet the needs of the Board. The Boards' responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Board. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the Board for the purpose of fulfilling the Board's financial reporting under section 23(1) of the Builders' Registration Act 1939 (as amended). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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The member firms of the Bentleys association are affiliated only and not in partnership.
Liability limited by a scheme approved under Professional Standards Legislation



Independent Auditor's Report

To the Minister for Consumer Protection of The Builders' Registration Board



Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Builders' Registration Board presents fairly, in all material respects the financial position of the Builders' Registration Board as of 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and under section 23(1) of the Builders' Registration Act 1939 (as amended).

BENTLEYS
Chartered Accountants

CHRIS WATTS
Director

DATED at PERTH this 10 day of September 2009

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**INCOME STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009**

	Notes	12 months to 30 June 2009 \$	12 months to 30 June 2008 \$
Income			
Annual registration fees		2,632,390	2,449,370
Administration income	1(e)	60,759	91,440
Appeal cost recoveries		0	7,500
Application fees		112,778	102,602
Arrears and penalties		1,875	1,325
Building Disputes Tribunal recoveries		45,117	40,598
Building licence levy		2,343,309	2,535,570
Certificate fees		10,313	9,848
Fitness and competency assessments		9,225	0
Interest on investments		114,993	126,984
Infringements		5,910	6,302
Other Income		9,032	8,974
Owner builder levy - residential		294,282	356,711
Owner builder levy - commercial		4,477	0
Profit/Loss on sale of motor vehicle		(68)	1,532
Prosecutions recoveries - Court		216,775	52,800
PRB Salaries support charge		257,681	134,226
SAT recoveries		10,239	6,170
Total Income		6,129,087	5,931,952
Expenditure			
Advertising and promotion		38,694	51,495
Annual leave		76,589	72,990
Annual awards/sponsorship		51,296	48,445
Assessments		15,966	14,125
Audit expenses		14,490	11,000
Bad debts		11,838	9,622
Bank charges		20,060	21,290
Board members' fees		151,539	215,651
Building Disputes Tribunal fees		802,668	707,936
Building licence levies-collection costs		302,655	348,032
Computer expenses		101,059	110,679

The accompanying notes form part of this financial statement

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**INCOME STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009**

Notes	12 months to 30 June 2009 \$	12 months to 30 June 2008 \$
Expenditure (cont....)		
Consultants fees	35,413	30,532
Consultants inspectors	2,719	77,066
Depreciation	435,090	216,152
Disposal of fixed assets	36,693	25,106
Doubtful debts	12,186	(38,593)
Fringe benefit tax	62,379	68,393
Insurance premiums	7,449	11,587
Legal expenses	16,644	13,037
Legal - advice and representation	8,400	12,605
Long service leave	129,542	(428)
Memberships	1,182	311
Motor vehicle expenses	142,701	136,079
General / Office expenses	46,749	48,067
Payroll tax	183,127	136,337
Photocopier expenses	63,853	77,223
Postage and courier charges	26,147	37,612
Printing and stationery	38,791	59,785
Rates, cleaning and electricity	110,240	105,840
Repairs and maintenance	23,813	10,927
Salaries - Staff	3,623,056	2,937,166
Salaries - Agency	0	78,097
Social business expenses	11,631	14,584
Staff training expenses	25,245	19,832
Subscriptions	13,068	8,922
Superannuation contributions	384,276	305,513
Telephone	39,842	39,534
Transcription	31,308	29,916
Travelling and accommodation	12,997	22,644
Total Expenditure	7,111,395	6,095,111
Operating Surplus/(Deficit)	(982,308)	(163,159)

The accompanying notes form part of this financial statement

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Notes	30 June 2009 \$	30 June 2008 \$
Current assets			
Cash	8(a)	2,113,001	2,407,072
Receivables	2	491,096	393,728
Interest accrued		11,090	39,562
Prepayments		54,990	21,113
Total current assets		2,670,177	2,861,475
Non-current assets			
Property, plant and equipment	3	7,844,115	2,522,450
Intangible asset	4	23,676	39,461
Total non-current assets		7,867,791	2,561,911
TOTAL ASSETS		10,537,968	5,423,386
Current liabilities			
Payables		229,005	120,202
Income in advance		1,317,104	1,218,578
Accrued expenses		81,172	122,742
Provision for employee entitlements	5	443,230	655,355
Provision for superannuation 2001/04		5,548	17,372
Total current liabilities		2,076,059	2,134,249
Non-current liabilities			
Provision for employee entitlements	5	402,787	0
Total non-current liabilities		402,787	0
TOTAL LIABILITIES		2,478,846	2,134,249
NET ASSETS		8,059,122	3,289,137
BOARD FUNDS & RESERVES			
Accumulated funds	6	1,041,777	2,024,085
Asset revaluation reserve	7	7,017,345	1,265,052
TOTAL BOARD FUNDS & RESERVES		8,059,122	3,289,137

The accompanying notes form part of this financial statement.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009**

	Notes	12 months to 30 June 2009 \$	12 months to 30 June 2008 \$
Cash flows from operating activities			
Receipts from Registered Builders		2,739,050	2,452,632
Building licence and owner-builder levies		2,323,372	2,679,525
Payments to suppliers and employees		(6,112,577)	(5,447,017)
Receipts of administration fee income		60,759	91,440
Interest received		143,465	87,422
Prosecution, inquiry and infringement		98,503	106,073
Other receipts		478,794	298,701
Net cash flow provided by operating activities	8(b)	(268,634)	268,776
Cash flows from investing activities			
Proceeds on sale of plant and equipment		0	38,011
Payments on purchase of plant and equipment		(25,437)	(149,132)
Net cash used in investing activities		(25,437)	(111,121)
Net increase/(decrease) in cash held		(294,071)	157,655
Cash at the beginning of the financial year		2,407,072	2,249,417
Cash at the end of the financial year	8(a)	2,113,001	2,407,072

The accompanying notes form part of this financial statement

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009

NOTE 1 ACCOUNTING METHODS AND POLICIES

This financial statement is a special purpose financial statement prepared in order to satisfy the financial reporting requirements of the Board under the *Builders' Registration Act 1939* (as amended). The Members of the Board have determined that the Board is not a reporting entity.

The financial statement has been prepared in accordance with the requirements of the *Builders' Registration Act 1939* (as amended) and the following Australian Accounting Standards:

AASB 110: Events after the Balance Sheet Date
AASB 1031: Materiality

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial statement has been prepared on an accruals basis and is based on historic costs and does not take account of changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which, unless otherwise stated, are consistent with the previous year, have been adopted in the preparation of this financial statement:

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009**

(a) Depreciation/Amortisation

Depreciation/Amortisation is calculated on the diminishing value basis in order to write the assets off over their useful economic life. The rates of depreciation/amortisation used for each class of assets are:

<u>Class of Asset</u>	<u>Depreciation/Amortisation Rate</u>
Premises	5%
Office furniture, fittings and equipment	15%-20%
Office refurbishment	15%
Motor vehicles	20%
Information Technology - Website Design	40%

(b) Revaluation of non-current assets

Land and buildings are revalued at three yearly intervals. Independent assessments are obtained of the fair market value of land and buildings based on existing use and such assessments are used as a guide when revaluations are made. Revaluation increments are credited directly to the asset revaluation reserve.

(c) Income Tax

No provision for income tax is necessary as the organisation is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Employee Entitlements

A liability for annual and long service leave is recognised in respect of services provided up to balance date. No material liability exists for personal (sick) leave.

(e) Administration Income

Administration income relates to recouped charges from the Painters' Registration Board for the use of premises, staff and equipment provided and financed by the Builders' Registration Board of WA.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009

NOTE 2 RECEIVABLES

	30 June 2009	30 June 2008
	\$	\$
Registration fees	7,183	15,317
Prosecution/Inquiries	270,223	145,982
Infringements	1,710	1,770
Building licence levy	260,528	244,488
Other	51,383	73,916
	<u>591,027</u>	<u>481,473</u>
Less: Provision for doubtful debts	(99,931)	(87,745)
	<u>491,096</u>	<u>393,728</u>

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009

NOTE 3 PROPERTY, PLANT & EQUIPMENT

	30 June 2009 \$	30 June 2008 \$
Premises at independent valuation	7,730,000	2,330,000
Less: Accumulated depreciation	<u>(309,200)</u>	<u>(332,316)</u>
	7,420,800	1,997,684
Office furniture, fittings and equipment	222,628	237,466
Less: Accumulated depreciation	<u>(145,220)</u>	<u>(143,563)</u>
	77,408	93,903
Computer hardware and software	351,337	440,802
Less: Accumulated depreciation	<u>(167,176)</u>	<u>(187,800)</u>
	184,161	253,002
Office refurbishment	544,506	543,706
Less: Accumulated depreciation	<u>(415,812)</u>	<u>(393,102)</u>
	128,694	150,604
Motor vehicles	35,483	34,074
Less: Accumulated depreciation	<u>(2,431)</u>	<u>(6,818)</u>
	33,052	27,257
Total property, plant and equipment	<u>7,844,115</u>	<u>2,522,450</u>

Licensed valuers performed the independent valuation of the premises as at 12 September 2008 using a direct comparison method, which analysed the best available market evidence on a rate per square metre of strata building area.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009

NOTE 4 INTANGIBLE ASSET

	30 June 2009	30 June 2008
	\$	\$
Information Technology - Website Design	54,529	54,529
Less: Accumulated amortisation	<u>(30,853)</u>	<u>(15,068)</u>
Total Intangible Asset	<u>23,676</u>	<u>39,461</u>

NOTE 5 PROVISION FOR EMPLOYEE ENTITLEMENTS

	30 June 2009	30 June 2008
	\$	\$
Annual leave	312,759	246,490
Long service leave (current)	130,471	121,535
Long service leave (non-current)	<u>402,787</u>	<u>287,330</u>
	<u>846,017</u>	<u>655,355</u>

The liability for long service leave is recognised as current after seven years' continuous service.

NOTE 6 ACCUMULATED FUNDS

	30 June 2009	30 June 2008
	\$	\$
Balance at the beginning of the period	2,024,085	2,187,244
Operating surplus (deficit) for the period	<u>(982,308)</u>	<u>(163,159)</u>
Balance at the end of the period	<u>1,041,777</u>	<u>2,024,085</u>

NOTE 7 ASSET REVALUATION RESERVE

	30 June 2009	30 June 2008
	\$	\$
Balance at the beginning of the period	1,265,052	1,265,052
Movement for the period	<u>5,752,293</u>	<u>0</u>
Balance at the end of the period	<u>7,017,345</u>	<u>1,265,052</u>

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009

NOTE 8 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

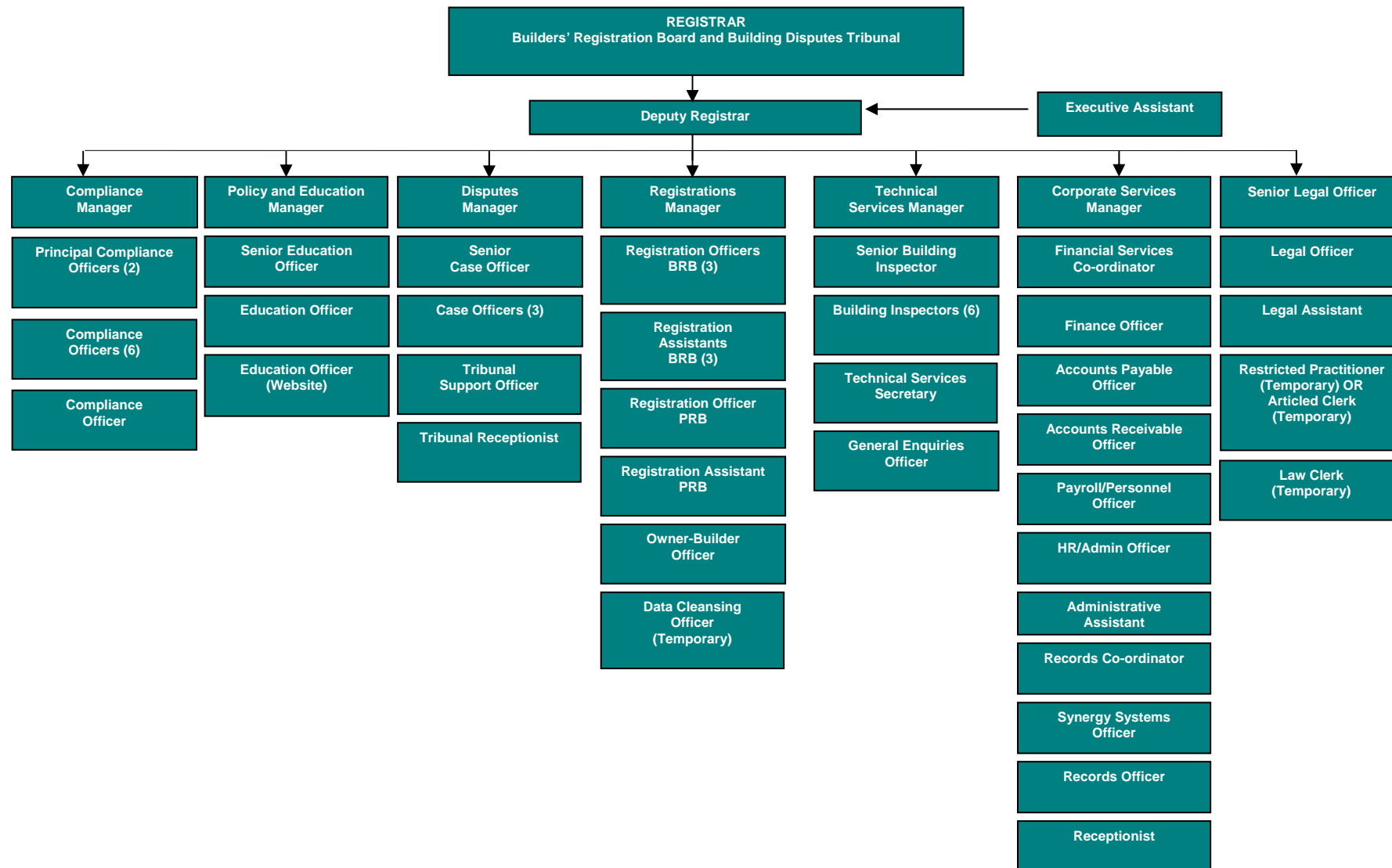
For the purposes of the cash flow statement, cash includes cash on hand and in banks, net of outstanding bank overdrafts, and short term money market balances. Cash at the end of the financial year is reconciled to the related items in the balance sheet as follows:-

	30 June 2009	30 June 2008
	\$	\$
Cash on hand	1,277	1,650
Cash at bank	<u>2,111,724</u>	<u>2,405,422</u>
	<u>2,113,001</u>	<u>2,407,072</u>

(b) Reconciliation of net cash flow from operating activities to operating surplus/(deficit)

	30 June 2009	30 June 2008
	\$	\$
Operating surplus (deficit) for the period	(982,308)	(163,159)
Non cash flows in operating surplus:		
- loss on sale of motor vehicle and assets	36,760	26,638
- depreciation	435,090	216,152
- doubtful debts	12,186	(38,586)
Net movement in assets and liabilities:		
- (decrease) in receivables	(109,554)	64,971
- increase in prepayments	(33,877)	(21,113)
- decrease in interest accrued	28,472	(39,562)
- increase in sundry creditors	108,803	(88,489)
- (decrease) in accrued expenses	(41,570)	64,632
- increase in income in advance	98,526	107,652
- increase in provision for employee entitlements	190,661	139,640
- (decrease) in provision for superannuation for Board and Building Dispute Tribunal members	(11,824)	0
Net cash provided by operating activities	<u>(268,634)</u>	<u>268,776</u>

Appendix B: Organisational Chart as at 30 June 2009



Appendix C: Information Statement

FREEDOM OF INFORMATION INDEX	PAGE/S	FoI
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Mission and Objectives	6	FOI/2
Legislation administered	2	FOI/3
Organisational structure	4	FOI/4
Decision making process	2	FOI/5
Public participation in the formulation of policy and performance of the Board's functions through consumer and industry representatives.	2	FOI/6
Documents held	29	FOI/7a
No charge – available outside FOI For purchase		
Operation of FOI: How applications are dealt with	40	FOI/8