

**BUILDERS'  
REGISTRATION  
BOARD OF WA**

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**ANNUAL REPORT**  
**30 JUNE 2004**

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**'Building Excellence'**

30 September 2004

The Hon John Kobelke, MLA  
Minister for Consumer and Employment Protection  
20<sup>th</sup> Floor  
197 St Georges Terrace  
PERTH WA 6000

Dear Minister

On behalf of the Board I hereby submit the Annual Report for the period ending 30 June 2004.

The report, incorporating the Board's annual financial statements, is submitted in accordance with Section 23B of the *Builders' Registration Act 1939* and Section 96 of the *Freedom of Information Act 1992*.

The Audit has been performed in accordance with Section 23A of the *Builders' Registration Act 1939*.

Yours sincerely



PAUL MARSH  
CHAIRMAN

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## Executive Summary

This is the Annual Report of the Builders' Registration Board of WA (the Board) for the 2003/04 reporting year. The report describes the functions and operations of the Board, progress in meeting a number of key objectives, and presents the Board's audited financial statements.

Copies of this report can be downloaded from our website at [www.brb.org.au](http://www.brb.org.au) in either PDF or HTML format.

### Overview

With a current jurisdiction that covers only some of the State's 144 Local Government areas but a majority of the population, the Board undertakes a vital building regulatory function. In undertaking its statutory obligations the Board registers builders, conducts building inspections and compliance audits, implements education and training programs, formulates policy, and helps to resolve building workmanship and contractual disputes.

### Corporate Information

Board members represent the interests of consumers, registered builders and relevant peak industry bodies. The Board's primary objective is to ensure that the highest possible building standards are maintained and that efficient and cost effective dispute resolution is provided for both the industry and community. As a small/medium size employer, our policies model those of the public sector. The Board embraces equity principles and ensures that its business operations are transparent and accountable.

### The Board

During the year in review, the Board met on a record number of occasions to consider over 600 new applications for registration and over 70 disciplinary and financial inquiries.

### Executive

The Executive team services the requirements of the Board and provides members and staff with industry-specific legal and policy support and advice. During the year, 37 builders were dealt with by way of disciplinary inquiry and staff acted for the Board with 54 prosecutions and 9 appeals.

### Registration

As at 30 June 2004, the Board had 5,292 builders on its register. Registrations staff processed 614 applications for registration, an increase of 50% over 2002/03. Twenty three applications were received for annulment of cancellations and suspensions and 36 financial inquiries were conducted.

### Technical Services

Staff provided technical support to the Board and the Tribunal. The volume of building inspections increased during the period, reflecting the current increase in building work across the State. Over 5,000 general enquiries were answered and 3,017 applications for owner-builder licences were processed during the period.

## Compliance

Increased activity by the Compliance section saw a marked decrease in the number of infringement notices and formal warnings issued. A substantial increase in the number of formal investigations and interviews conducted resulted in over 170 files being referred for prosecution or inquiry. Most local government authorities were visited during the period and 70 commercial, 238 light industrial and 180 owner-builder sites were also inspected during the reporting period.

## Building Disputes Tribunal

During the reporting period \$1,446,888 was expended on the dispute resolution process. The increase in building activity across the State is reflected by a 19% increase in the volume of complaints received by the Tribunal. Most complaints related to workmanship issues, however 13% were contractual and 16% were both workmanship and contractual. The Tribunal sat on 255 days and heard over 500 complaints during the period.

## Corporate Services

The Corporate Services section carried out the Board's financial, human resources, information technology and its general administrative functions during the period.

## Education and Training

During the reporting period, the Education and Training section developed and implemented programs and publications, coordinated trade and consumer expos, and coordinated the Board's sponsorship of conferences, seminars and industry award evenings. All staff participated in Synergy training and 98% had at least one other training need met by the section during the period.

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## The Registrar's Report

It's almost impossible in a report such as this to adequately cover all the challenges and accomplishments that have been addressed by the Board during the year, although many of these are of course individually highlighted throughout this document. I am pleased however to be able to report that for the first time in many years the Board has been in a position, following amendments to the *Builders' Registration Act 1939*, in August 2001, to access a level of funding so that the Board could implement a program to commence addressing all of its statutory functions. During the reporting period we have had the resources and staffing level to monitor and report on a range of building operations across the State. These have revealed a need for more extensive activity by the Board.

During 2003/04 the Board expanded its compliance and audit function. Although our efforts have only scratched the surface, a number of breaches to the Building Code of Australia (BCA) and operational deficiencies have been identified, and appropriate plans are being developed to address these issues. The success of these operations has highlighted to the Board that increased vigilance and training is imperative to ensure that legislative requirements are consistently met by industry.

### The State of the Industry

Australian Bureau of Statistics (ABS) data relating to the housing sector suggests that the boost in the States housing activity will continue. During the reporting period the number of building approvals in Western Australia increased in annual average terms by 8.5%, against a moderate national growth of 1.1%. Housing finance commitments for construction in the State, a forward indicator of dwelling activity, has been the strongest of all States, growing by 9.8% in annual average terms since June last year.

During 2002/03 the gross turnover of building licence applications increased by an incredible 28%. This reporting year it increased by a further 14.8% to \$5.59 billion compared to last years figure of \$4.87 billion:

|                                       | 2001/02        | 2002/03        | 2003/04        |
|---------------------------------------|----------------|----------------|----------------|
| New homes and other residential       | \$2.60 billion | \$3.02 billion | \$3.82 billion |
| Commercial                            | \$0.98 billion | \$1.56 billion | \$1.47 billion |
| Residential – alterations and add ons | \$0.24 billion | \$0.29 billion | \$0.30 billion |

What effect will this have on the Board's activities during the new reporting year? It is likely that continuing growth, combined with a backlog of work arising from recent labour and materials shortages, will pose a number of challenges. Frenetic building activity, tight timelines, and consumer expectations will certainly place heavy demands on the building sector and will increase the need for the Board to monitor all operations across the industry.

The bottom line is that a continuation of this level of building activity will require a timely and appropriate response, which can only be achieved by ensuring that there are sufficient resources available to the Board to adequately monitor this level of activity. Proactive initiatives, such as the implementation of an interactive web-site that can be used by both industry and consumers to access and download up to date information relating to the Tribunal, Board, operational requirements, workmanship issues etc. will also play an important part in achieving our goals for the coming year.

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## Future of the Board

The Government has indicated its intention to incorporate the Board into the Department of Consumer and Employment Protection (DOCEP). It is proposed that staff will be transferred to that Department.

Current legislative proposals for the State Administrative Tribunal (SAT) will transfer the Board's disciplinary powers to it.

## Building Legislation Reviews

The Government has advised that it will release discussion papers for comment on the following reviews as soon as the Terms of Reference are finalised.

- Statutory Review, (DOCEP) of the *Building Legislation Amendment Act 2000*.
- Review (DOCEP) of the threshold (currently \$12,000) for building work under the *Builders' Registration Act 1939*.
- Comprehensive review (DOCEP) of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, including all issues arising from Home Indemnity Insurance.
- Development of new building legislation (previously referred to as a proposed Building Act) (Department of Housing and Works).

In addition, a study into the progress of building regulatory reform since 1994 is being undertaken by the Productivity Commission, entitled 'Reform of Building Regulation'.

## State Administrative Tribunal

Whilst the Board was expecting that the SAT would be established in early 2004, the *State Administrative Tribunal Bill 2003* and the *State Administrative Tribunal (Conferral of Jurisdiction) Amendment and Repeal Bill 2003* remain before a Parliamentary Committee, which is due to report to the Legislative Council in October 2004. Information received from the SAT provides that the legislation is now expected to come into operation in January 2005.

If passed, the legislation will establish the SAT, which will exercise much of the jurisdiction currently exercised by the Board. Specifically, the SAT will determine disciplinary complaints and appeals from decisions of the Board relating to registration matters.

The Board will remain involved by presenting cases for disciplinary action to the SAT and will remain a party to any appeal brought against a decision of the SAT, or against a registration decision of the Board.

Although it is anticipated that the substantive provisions of the *Builders' Registration Act 1939* will remain the same, the manner in which inquiries/appeals are conducted and the principles in accordance with which such matters are determined may change significantly with the establishment of the SAT.

## Electoral Act 1907

In accordance with section 175ZE of the *Electoral Act 1907*, I confirm that the Board did not incur any expenditure in advertising, market research, polling, direct mail, or media advertising during 2003/04.



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In conclusion, as Registrar I am proud of our many achievements. I congratulate the Board, Tribunal and staff on their continued commitment to achieving the organisations goals and I look forward to working with my team, and our industry, to meet the challenges in the year ahead.



**NIGEL LILLEY**  
**REGISTRAR AND PRINCIPAL OFFICER**

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## The Board At A Glance

### Our History

The Board was established under the *Builders' Registration Act 1939* (BRA), which was the first builders' licensing legislation introduced in Australia.

The Board plays a key role in regulating the building industry. The registration process provides a level playing field by ensuring that only suitable, qualified builders can operate in the State. The Act also provides 'community' or 'consumer' oriented legislation and offers a level of protection for the community and those purchasing a builder's products.

The Board is a statutory authority and is accountable to Parliament through the Minister for Consumer and Employment Protection. Our role is to ensure that all persons having registration are:

- technically competent;
- financially capable; and
- in all other respects are fit and proper persons to be registered builders.

### Who We Are

The Board is located at 18 Harvest Terrace, West Perth. We are self funded, deriving all our funds from the building industry through the payment of registration fees, a building licence levy and other fees.

### What We Do

The Board is responsible for registering builders. The BRA prohibits unregistered persons from carrying out building work valued over \$12,000 within the area of the application of that Act.

We employ 42 staff who undertake a wide range of activities to support and promote best practice in the State's building industry. Our activities are varied and include conducting building inspections and compliance audits, registering builders, taking disciplinary action, conducting prosecutions, and providing education and training for both industry and consumers. Our staff develop policy and provide support to assist both industry and consumers generally and those that use the services of the Tribunal to resolve building workmanship and contractual disputes.

### Our Mission

FOI/2

***Our Mission is to obtain the highest possible standards in the building industry by the maintenance of appropriate levels of entry skills for builders, the fostering of continuous professional development and the provision of a cost efficient and impartial service to the community.***



## Our Values

Our values underpin all the work that we undertake on behalf of the Board. We value:

- quality and continuous improvement;
- teamwork and cooperation;
- effective communication; and
- honesty and integrity.



## The Board's Area of Jurisdiction FOI/3

The Board's area of jurisdiction encompasses 125 of the 144 Local Governments in the State, albeit in some instances only major town sites.

In the Board's opinion the omission of large parts of the State from its jurisdiction is a significant lack of protection for consumers in these areas, as it enables unregistered persons to operate freely.

The Board desires to correct that by obtaining State-wide application of the *Builders' Registration Act 1939*.

## The Board

FOI/6

Under the BRA, the Governor of Western Australia is authorised to appoint a chairperson (who is a legal practitioner) and 6 other members to the Board who are nominated by the Minister to:

- represent the interests of consumers;
- represent the interests of registered builders within the area of the BRA (other than the metropolitan area);
- be a nominee of the Royal Australian Institute of Architects (WA Chapter);
- be a nominee of the Master Builders' Association of Western Australia;
- be a nominee of the Building Trades Association of Unions of Western Australia (Association of Workers); and
- be a nominee of the Housing Industry Association (Western Australian Division).

### Changes to the Board

In April 2004 one Board member, Bronwyn Davies-Taylor, stood down as a consumer representative. The Board wishes to thank Ms Davies-Taylor for her highly valued contribution to its activities.

### Meetings of the Board

Builders' Registration Regulation 4 provides that the Board is required to formally meet at least once a month. During the reporting period the following attendance was noted.

| TYPE OF MEETING                  |         |                               |                 |
|----------------------------------|---------|-------------------------------|-----------------|
|                                  | Monthly | Inquiries/ Specific Purpose * | Deputy Attended |
| Paul Marsh (Chairman)            | 12      | 24                            | -               |
| Bronwyn Davies-Taylor +          | 8       | 12                            | 1               |
| Ronald Slobe                     | 11      | 19                            | -               |
| Patrick Pinder                   | 12      | 16                            | -               |
| Darryll Retallack (Deputy Chair) | 11      | 19                            | 1               |
| Fred Smith                       | 12      | 11                            | -               |
| Neville Harrison                 | 11      | 15                            | 3               |

Minutes of Board meetings are available at cost.

\*Inquiries are frequently convened using a panel of 3 members as authorised by Section 13(4) of the Act.

+ Resigned April 2004.

## Enabling Legislation

**FOI/2**

The Board is established under the *Builders' Registration Act 1939* (BRA), and administers the BRA and the *Home Building Contracts Act 1991* (HBCA).

## Performance Monitoring and Reporting

The Board establishes the goals and strategic directions of the organisation, determines the budget, and ensures that the Board's activities are conducted in a proper and ethical manner. In addition to dealing with policy and general business, the Board dealt with the following matters:

- 70 inquiries under section 13 of the BRA
- 23 applications for annulment of suspension of registration
- 614 applications for registration
- 17 special owner-builder applications.

A number of rulings on the definition of building work were provided.

Note: In appropriate circumstances the Board will provide written advice of its opinion on the application of the BRA and undertakes to abide by that ruling unless obliged to depart from the ruling by a Court.



### **The Board (left to right)**

Paul Marsh (Chairman) Darryll Retallack (Deputy Chairman), Fred Smith, Bronwyn Davies-Taylor, Ronald Slobe, Pat Pinder and Neville Harrison

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## Corporate Information

### Strategic Objectives

**FOI/2**

The Board's strategic objectives are:

- Maintaining the highest possible standards in the building industry.
- Ensuring that those undertaking building in Western Australia comply with the provisions of the BRA and the HBCA.
- Resolving building disputes efficiently, cost effectively and according to law.

### Policies and Strategies

2003/04 was a positive year for the Board. An operating surplus was achieved which enabled the Board to maintain a sound financial position. It is anticipated that the organisation will be able to maintain a modest expansion of activities during the coming year, however a review of annual registration fees and other sources of income may be required to ensure that this can continue into 2005/06.

### Functions and Powers

**FOI/5**

The Board's primary functions are to:

- determine the course of training for a builder to be registered;
- maintain a register of registered builders;
- issue or cancel certificates of registration;
- cancel or suspend the registration of any builder;
- annul such cancellation or suspension;
- take proceedings for any offences against the BRA and the HBCA.
- carry out the provisions of the BRA; and
- carry out building information and educational activities.



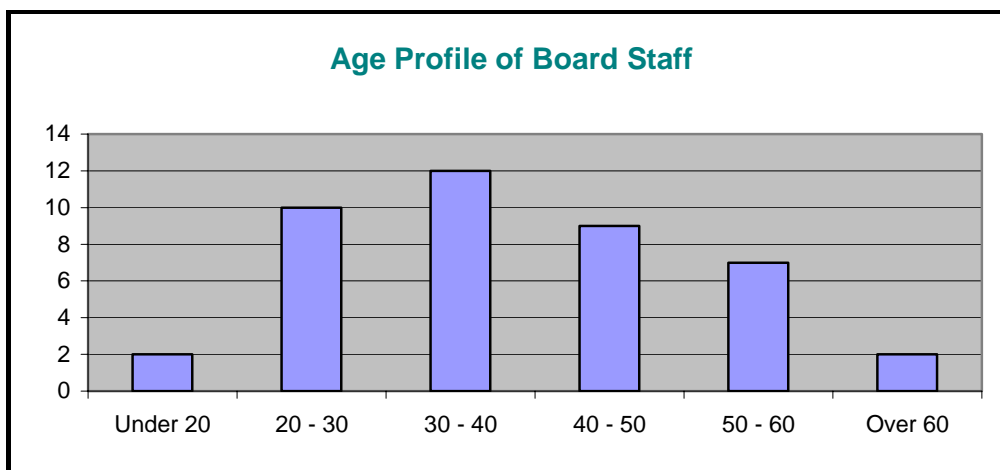


## Staff

FOI/4

During the reporting period the Board had 44 Full Time Equivalent (FTE) positions in its establishment, three of which were at 80% FTE. Two Building Inspector positions remained vacant throughout the entire period, and 4 positions were filled on a casual basis.

In recent years the age profile of the organisation has changed with the recruitment of a number of staff in the 25 – 35 age bracket. The age dispersion of staff is illustrated below.



With a staff of 42 the Board is a small to medium sized employer. Our recruitment policies are those adopted across the public sector, however because of the specialised nature of a number of roles e.g. Building Inspector, Compliance Officer, it can be difficult to attract suitably qualified applicants for advertised vacancies.

We have continued our efforts to achieve equity and diversity in the workplace during the reporting period. Positions are advertised in the general press, opportunities are available to redeployees, as well as being posted online at [www.jobs.wa.gov.au](http://www.jobs.wa.gov.au). Women are represented in mid level management in our corporate executive structure.

The Board would again like to acknowledge and thank the following staff for their continued dedication and exceptional contribution to activities of the organisation:

- Over 20 years: Nigel Lilley.
- 15 to 20 years of service: Colin Stretton, Vic Websdane, Rod Sandell and Ray Smith.
- 10 to 14 years of service: Noreen DeNicolis and Diane Dean.

## Codes of Conduct and Ethics

All staff are provided with a copy of the Public Sector Standards Commission (PSCC) Code of Ethics and are required to observe its principles. A Code of Conduct for Board Members and a separate Conduct Guide for the Tribunal has been adopted.

## Equal Employment Opportunity (EEO)

The Board maintains its commitment to promoting equal opportunity for all its employees and provides staff development opportunities, raises awareness during staff meetings, and provides general information as part of its staff induction programs.

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During the reporting period, nominations were called for the role of staff Contact Officer/s. This role acts as the first point of contact for employees who wish to make an enquiry, talk about a concern, or who have a complaint relating to equity and access issues. General Enquiries Officer Phuong Do, Building Inspector Ian Aitken and Painting Inspector Greg Migro were elected to these roles and have received training in EEO Law and Contact Officer responsibilities provided through the Equal Opportunity Commission.

### Public Sector Standards in Human Resource Management

During 2003/04 the Board complied with the Public Sector Standards in Human Resource Management. The processes carried out in relation to the Standards were for Recruitment, Selection and Appointment, and for Performance Management. There were no processes carried out in relation to the other Standards for Transfer, Secondment, Redeployment, Termination, Discipline, Temporary Deployment (Acting) and Grievance Resolution.

There were no claims for breach of standards in relation to the processes carried out for Recruitment, Selection and Appointment, and for Performance Management.

### Occupational Health and Safety

The Board and its staff continued to maintain a safe working environment during 2003/04. To support this commitment, staff elections were held for the position/s of Occupational Health and Safety Officer in January 2004. Building Inspector Ray Smith and Painting Inspector Greg Migro were elected to these positions and have completed Occupational Health and Safety Delegate training for these roles.

### Disability Services

The Board continues to work within the constraints of the present accommodation at 18 Harvest Terrace, West Perth. A reception area is located on the ground floor, as are the Tribunal hearing rooms, and temporary parking is provided directly in front of the building to enable wheelchair access.

A General Enquiries Officer is available to answer questions and provide advice and assistance via the telephone. Pamphlets and other written material are provided on request, and it is hoped that in the new reporting year the Board's website will be modified to enable easy downloading of a range of consumer and industry specific information.

### Waste Recycling

The Board actively encourages all staff to recycle paper and other material. Paper collection bins have been strategically located throughout the building. A local contractor from the City of Perth provides a free service for most of the organisation's recycling needs.

### Freedom of Information

#### FOI/1

During 2003/04 the Board complied with the *Freedom of Information Act 1992* (FOI). All persons that sought information held by the Board were provided with guidance regarding the application process. Staff ensured that information was provided promptly and at the least possible cost to all persons so entitled. Those seeking information that was not routinely available were advised of the provisions of the FOI Act, the application process, and all associated costs. Applications were acknowledged in writing and the parties were notified of a decision within 45 days.



Further FOI information is attached at Appendix B.

Applications and enquiries were directed to:

Libby Buttfield, FOI Officer  
 Builders' Registration Board of WA  
 Suite 10, 18 Harvest Terrace  
 WEST PERTH WA 6005  
 Ph. (08) 9476 1200  
 Fax. (08) 9476 1299

### Charges

#### FOI/7a

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

|  |                    |
|--|--------------------|
| <input type="checkbox"/> <i>Personal information about the applicant</i>                             | <i>No fee</i>      |
| <input type="checkbox"/> <i>Application fee (for non personal information)</i>                       | <i>\$30.00</i>     |
| <input type="checkbox"/> <i>Charge for time dealing with the application (per hour, or pro rata)</i> | <i>\$30.00</i>     |
| <input type="checkbox"/> <i>Access time supervised by staff (per hour, or pro rata)</i>              | <i>\$30.00</i>     |
| <input type="checkbox"/> <i>Photocopying staff time (per hour, or pro rata)</i>                      | <i>\$30.00</i>     |
| <input type="checkbox"/> <i>Per photocopy</i>  | <i>.20</i>         |
| <input type="checkbox"/> <i>Transcribing from tape, film or computer</i>                             | <i>Actual Cost</i> |
| <input type="checkbox"/> <i>Duplicating a tape, film or computer information</i>                     | <i>Actual Cost</i> |
| <i>Delivery, packaging and postage</i>   | <i>Actual Cost</i> |

### Deposits

|  |     |
|--|-----|
| <input type="checkbox"/> Advance notice may be required based on the estimated charges                                 | 25% |
| <input type="checkbox"/> Further advance deposit may be required to meet the charges for dealing with the applications | 75% |

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

### Access Arrangements

#### FOI/8

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

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## Viewing Documents

Documents were available to be viewed at the Board's office during normal working 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 was received, the applicant was provided with a notice of decision which included 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 were dissatisfied with a decision of the Board's officer were entitled to ask for an **internal review** by the Registrar. Applications had to be received in writing within 30 days of receiving the notice of decision.

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

Applicants who disagreed with the result could also apply to the Information Commissioner for an **external review**, and the details would be passed on to applicants when the internal review decision was issued.

## Freedom of Information Applications

Seven FOI applications were received. 5 had access denied and 2 granted partial access. No reviews were requested.

## Client Information

**FOI/7a**

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

- *The Home Building Contracts Act 1991*
- *The Builders' Registration Act 1939*
- Prescribed forms used to apply for:
  - Registration
  - Lodging complaints
  - Owner-builder applications
  - FOI requests
- Internal documents including:
  - Policy statements
  - Registration guidelines
  - Administrative procedures
  - Technical guidelines (as used by inspectors for site inspections (available on application at cost))

- 
- Pamphlets (at no charge) including:
    - So You Want To Be A Builder
    - Thinking Of Building You Own Home
    - Resolving Building Disputes
    - Site Investigations Before Buying A Block Of Land Or Building A House
  - Industry specific information e.g. BRB Newsletter 'Building WA'.
  - Reasons for Decision – Board and Tribunal matters.
  - Information including policies, application forms, reports can be downloaded and the Builders' Registration Register accessed from the Board's internet site at [www.brb.org.au](http://www.brb.org.au).

### State Records Act 2000

The *State Records Act 2000* required all government organisations to develop a recordkeeping plan for approval by the State Records Commission by 5 March 2004. The Board's recordkeeping plan was submitted before the 5 March deadline and was approved for a period of five years by the State Records Commission at its meeting on 22 April 2004.

State Records Commission Standard 2, Principle 6 – Compliance, requires the Board to include in its Annual Report an appropriate section that addresses compliance with the approved recordkeeping plan.

The Board wishes to report that its recordkeeping plan has been established throughout the organisation, and forms part of the induction for new staff. In light of the recent introduction of the plan the Board is satisfied that it has achieved compliance with the *State Records Act 2000*.

The Board will evaluate the efficiency and effectiveness of its recordkeeping system not less than once every five years, and its recordkeeping training program from time to time.

### Public Interest Disclosure Act 2003

The *Public Interest Disclosure Act 2003* came into effect on 1 July 2003. The purpose of this Act is to facilitate the disclosure of public interest information and provide protection for those making such disclosures and those who are the subject of disclosures. Compliance with this Act includes:

- the designation of the occupant of a specified position as the person responsible for receiving disclosures of public interest information;
- the preparation and publishing of internal procedures relating to the Board's obligations under this Act; and
- an obligation to report to the Commissioner for Public Sector Standards annually on the:
  - number of disclosures made to the public authority under the Act;
  - outcome of investigations conducted as a result of disclosures; and
  - action taken as a result of the investigation, and other matters prescribed.

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The Board has met all requirements under this Act and no disclosures were received during the reporting period. We are committed to the aims and objectives of this Act, recognise the importance of contributions of staff to enhancing administrative and management practices, and support public interest disclosures being made.

In March 2004 the Disputes Manager, Jim Dalton, was appointed as the Public Interest Disclosure Officer for Builders' Registration Board, the Tribunal and the Painters' Registration Board.

### State Ombudsman

The State Ombudsman has the jurisdiction to investigate complaints that are made in relation to administrative actions or omissions by the Board or the Building Disputes Tribunal.

Two complaints were investigated by the State Ombudsman during the reporting period.

### Ministerial Directions

Section 23C of the BRA provides certain circumstances in which the Minister may give directions to the Board.

Any direction given shall be included in the Annual Report.

In 2003/04 no directions were given.

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## CORPORATE PLAN

The Corporate Plan is attached as Appendix K.

The Plan specifies particular developments in the Board's performance of its functions. The actions taken to achieve those developments are:

### Education and Training

Staff Training:

- Training Needs Analysis completed and specific training programs commenced.
- 98% of staff have completed at least 1 training course identified during the Staff Training Needs Analysis.

Programs for building industry and associated stakeholder groups:

- Delivered program of seminars/workshops regarding Commercial Fit Outs.
- Delivered presentations on BRB and PRB registration to TAFE students.
- Staff attended with a "display module" at 3 Home shows and an Owner-builder Expo.
- Organised national "Builders Licensing Australasia" Conference with WA industry representatives attending.
- Short video presentation prepared for use at MBA and HIA Award evenings.
- Initiated research on the application of the Building Code of Australia (BCA) in WA and its understanding by building practitioners and consumers.
- Initiated review and improvement of availability of BCA generally and to builders in particular.
- Planned allocation \$124,900
- Actual expenditure \$121,162

### Compliance (formerly Surveillance and Enforcement) Section

- 2 new staff were appointed.
- 95 local governments visited (125 in jurisdiction).
- 70 commercial fit-outs visited (resulting in 12 infringements and 3 investigations).
- 238 light-industrial sites visited (resulting in 24 infringements and 4 investigations).
- 180 owner-builders sites visited (resulting in 25 infringements and 13 investigations.)
- 205 investigations were opened in the year; and
- 140 were closed
- Planned allocation \$126,600
- Actual expenditure \$172,811

### Building Disputes Tribunal

- Tribunal is hearing complaints within 6 to 8 weeks of the matter being ready.
- Urgent matters are able to be heard on expedited basis usually as soon as the parties are available.
- Tribunal heard 513 complaints on 255 sitting days.
- A mediation panel has been established and selected matters are referred to mediation.
- A new information technology system has been adopted and is being developed.
- Meetings of the Chairman with Deputies have been held twice to address issues in the decision making process.
- Additional deputy chairs and panel members have been appointed to the Tribunal.

- 
- The Board has established a panel of consultant Quantity Surveyors to assist in quantifying Orders for Payment.
  - Planned allocation \$1,229,175
  - Actual expenditure \$1,446,888

### Records Management

- Recordkeeping Plan as required by the *State Records Act 2000* was approved by the State Records Commission on 22 April 2004.
- Planned allocation \$12,000
- Actual expenditure \$nil

### Legislative Review

- A draft review of the Regulations associated with the BRA is complete and is awaiting assessment by senior management and the Board.

### Quality Assurance

- During the reporting period, preliminary investigation of the feasibility of implementing a quality assurance program for all of the Board's activities and procedures was undertaken. With the decision of the Board to implement the Synergy Information Technology System, it was considered that a Quality Assurance Program may be incorporated as part of this new system. Further investigation of a separate quality assurance program was therefore deferred.
- As part of the introduction of the Synergy information technology system, a draft Procedural Guide has been produced and will be further developed as the Synergy System is modified to suit the Board's needs. Existing procedure manuals are also being updated for incorporation into the Synergy System.

## EXECUTIVE

The role of the Executive Section is to service the requirements of the Board and to provide legal and policy advice. There were a number of issues that have impacted on staff during the year including a new information technology system (Synergy), the ongoing possibility of amalgamating Board staff into the Department of Consumer and Employment Protection (DOCEP), and further staff positions.

Synergy has taken longer to become fully operational than anticipated thus delaying the production of better management and compliance audit reports, and efficiencies in the dispute resolution process.

Staff assisted the Board with the conduct of 37 disciplinary inquiries [refer to Appendix G], the conduct of 54 prosecutions in the Court of Petty Sessions [refer to Appendix J], and represented the Board in appeals to the District Court from Board decisions [refer to Appendix F(iii)].



**Executive Staff (left to right)**

**(Back) Vic Websdane, Deputy Registrar and Nigel Lilley, Registrar**

**(Front) Nikola Strehle, Sue Batchelor and Libby Buttfield  
FOI/4**

## REGISTRATIONS

2003/04 has been one of the busiest periods on record with 614 applications for registration being received during the reporting period. This represents an increase of 50% above the previous year.

When an application is lodged with the Board, the section conducts appropriate investigations and makes recommendations relating to each application. In addition, the section processes matters relating to annulments of suspensions or cancellations and initiates financial inquiries.

Two new permanent staff were appointed to the section in April 2003/04. This has helped to decrease the backlog of work and has enabled the section to process the increased volume of work received during the reporting period.



### Registrations Staff

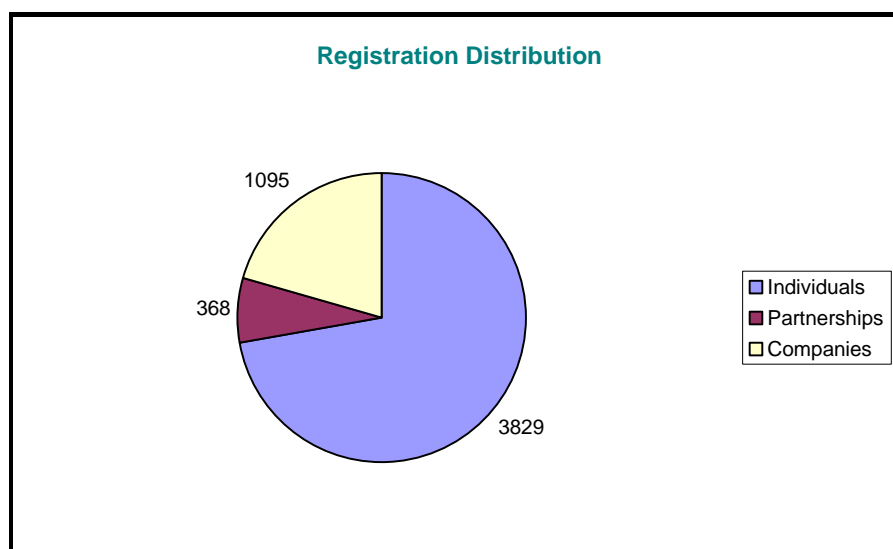
(left to right)

**(Back) Tanya Panizza, Patrick McClure and Nichola Hayter  
(Front) Noreen DeNicolis (Registrations Manager) and Nadia Okis**

**FOI/4**

### The Register

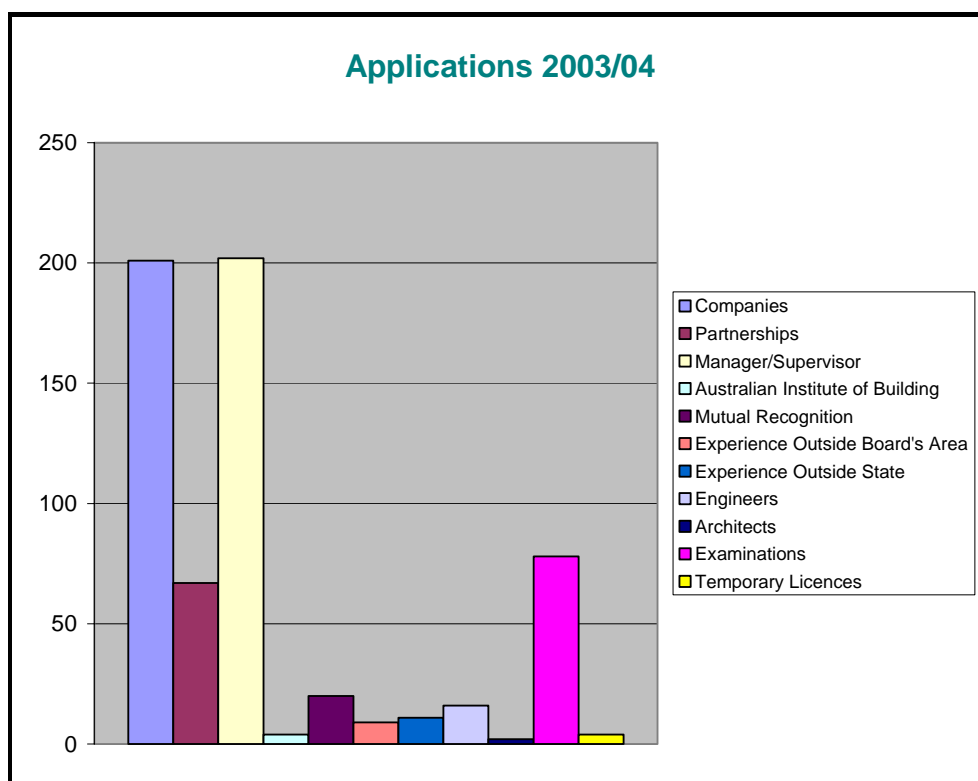
As at 30 June 2004, the Board's register contained 5,292 builders, in the following categories:





### Applications for Registration

During the reporting period 614 applications were received. Of these, 385 were approved, 65 refused, 13 deferred, 11 were withdrawn, and 140 are pending (awaiting additional information).



### Applications for Annulment of Cancellation or Suspension

During 2003/04 the section received 23 applications for annulment of cancellation or suspension [refer to Appendix D].

### Financial Inquiries

During the reporting period, 36 financial Inquiries were held [refer to Appendix E]. The financial performance of 3 builders whose registration had been suspended or cancelled, but had been annulled with conditions, continued to be monitored.

## TECHNICAL SERVICES

During 2003/04 the section continued to provide technical support to the Board, builders and the public on amendments to the Building Code of Australia (BCA) and the relative Australian Standards. The section was actively involved in undertaking inspections and preparing assessment reports relating to disputes between owners and builders. During the year a strong contribution to the work of the Building Regulations Advisory Committee (BRAC) was made. The section is pleased to report that headway is being made towards improving aspects of the BCA.



### **Technical Services Staff**

(left to right)

**(Back) Paul Gronow, Colin Stretton (Manager) Ian Aitken, Jeff Eales and Ray Smith**

**(Front) Alison Knight, Debra Searles, Phuong Do, Brooke Jeffrey and Donna Rowe**

**FOI/4**

The section endeavours to ensure that the requirements of the BCA are adhered to by the industry, that all requests for assessments received from the Tribunal are expeditiously addressed, and that requests for assistance relating to issues within the scope of the BRA and the HBCA have been dealt with promptly and efficiently.

The section also provides a telephone support service for use by consumers and the building industry seeking assistance with general building enquiries. During the reporting period the General Enquiries Officer received, on average, 428 calls per month (5,000+ calls over the 12 month period).

During the reporting period staff participated on a range of committees convened by, Institute of Building Surveyors, Master Builders Association, and the Building Regulations Advisory Committee. A close working relationship is also maintained with the Housing Industry Association.

Working with Standards Australia, staff from the section have provided valuable support and input during the development of the soon to be released 'Guide to Plastering'. The final draft of this handbook has been released for comment. This manual will make a significant contribution to work undertaken within the plastering trade.

## Ratio of Complaints to Building Licence Applications

The following table covers the period 2000 to 2002/03, and relates to individual building work valued in excess of \$12,000. The 2003/04 figures are based on the total number of building licence applications, irrespective of value.

|              | 2000        | 01/01-30/06/01 | 2001/02     | 2002/03     | 2003/04     |
|--------------|-------------|----------------|-------------|-------------|-------------|
| Licences *   | 16,912      | 7,956          | 22,534      | 18,483      | 23,604      |
| Complaints   | 905         | 446            | 579         | 544         | 649         |
| <b>Ratio</b> | <b>1:19</b> | <b>1:18</b>    | <b>1:40</b> | <b>1:34</b> | <b>1:36</b> |

\* Estimate only of all new dwellings, extensions and associated work.

The full extent of increased site surveillance implemented in the early part of 2002 is gradually becoming more evident with an improvement noted in Building Code compliance, however further work needs to be done in this area.

## Workmanship Investigations

The work of this section also includes the investigation of technical negligence and incompetence by registered builders that relate to workmanship and which are referred to the Board for inquiry [see Appendix G].

## Categories of Work in Complaints Lodged

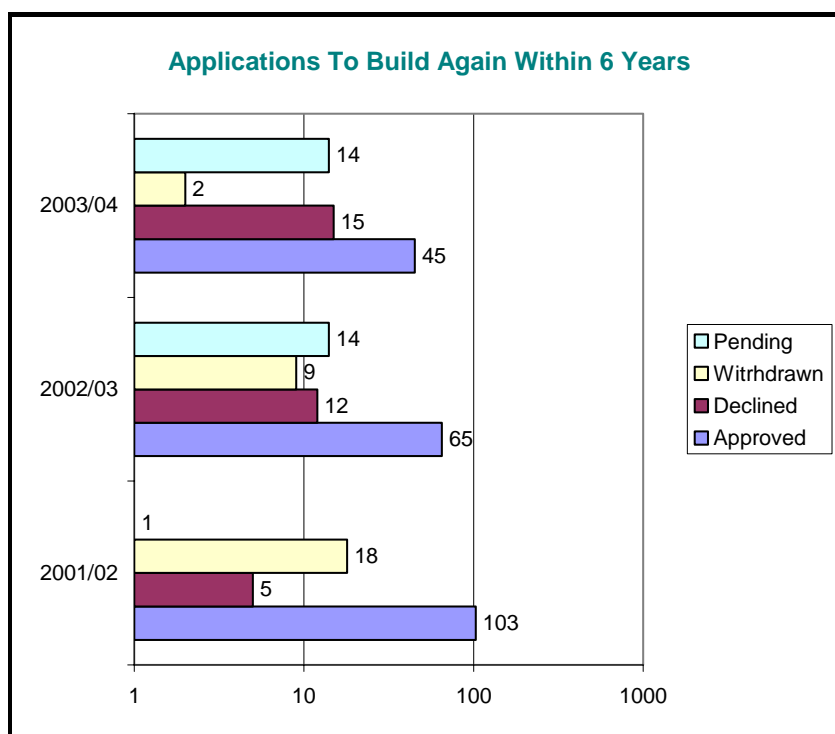
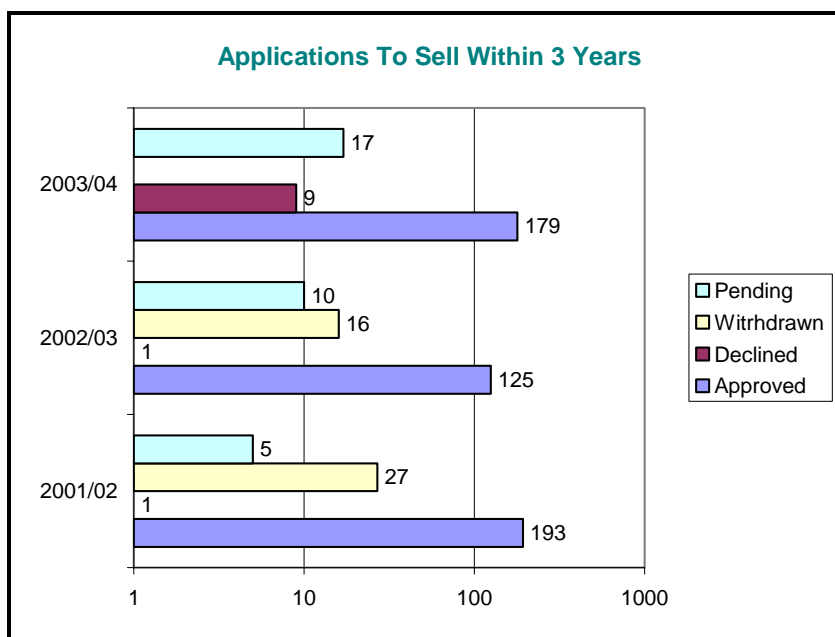
Statistics are recorded on the percentage of complaints lodged with the Board to monitor shifts in particular areas of workmanship. The strongest positive movement occurred in brick work (2.2% decline) and door and window complaints (2.5% decline), with increases registered in roof cover and slab floors complaints of 3.2% and 2.1% respectively. Full details are provided as follows:

| ITEM  | 2001/02 (%) | 2002/03 (%) | 2003/04 (%) |
|---|-------------|-------------|-------------|
| <input type="checkbox"/> Brickwork                | 8.7         | 9.9         | 7.7         |
| <input type="checkbox"/> Ceiling                  | 7.4         | 5.9         | 6.5         |
| <input type="checkbox"/> Ceiling and roof frame   | 5.2         | 5.7         | 5.5         |
| <input type="checkbox"/> Concrete paving          | 3.0         | 2.8         | 2.9         |
| <input type="checkbox"/> Doors and windows        | 7.1         | 8.5         | 6.0         |
| <input type="checkbox"/> Earth footings           | 1.4         | 0.7         | 1.4         |
| <input type="checkbox"/> Fixing and joinery       | 7.1         | 7.1         | 7.8         |
| <input type="checkbox"/> Flashings                | 5.0         | 5.0         | 5.7         |
| <input type="checkbox"/> House site cleaning      | 1.4         | 1.2         | 1.6         |
| <input type="checkbox"/> Painting                 | 8.2         | 8.3         | 7.3         |
| <input type="checkbox"/> Plumbing                 | 6.1         | 7.1         | 6.5         |
| <input type="checkbox"/> Roof cover               | 6.6         | 4.2         | 7.4         |
| <input type="checkbox"/> Slab floor               | 2.9         | 1.4         | 3.5         |
| <input type="checkbox"/> Solid plastering         | 9.1         | 10.1        | 9.5         |
| <input type="checkbox"/> Swimming pool            | 1.0         | 0.9         | 0.9         |
| <input type="checkbox"/> Termites                 | 0.5         | 0.7         | 0.8         |
| <input type="checkbox"/> Timber floor             | 1.8         | 2.1         | 2.1         |
| <input type="checkbox"/> Wall and floor tiling    | 8.2         | 7.5         | 6.9         |
| <input type="checkbox"/> Wall frame               | 1.1         | 1.2         | 1.3         |
| <input type="checkbox"/> Water ingress and egress | 8.2         | 9.7         | 8.7         |
| <b>TOTAL</b>                                      | <b>100%</b> | <b>100%</b> | <b>100%</b> |

## Owner-Builders

The reporting period saw an increase in owner-builder activity, with 3,017 certificates being processed for owner-builders to carry out residential building work.

Applications by owner-builders to the Minister for Consumer and Employment Protection pursuant to section 4A of the BRA resulted in the following decisions:



## COMPLIANCE

The work of the Compliance section, formerly known as Surveillance and Enforcement, underpins one of the Board's principal statutory functions, industry compliance. The section's main role is to investigate and gather evidence for the Board's enforcement function.



### Compliance Staff

(left to right)

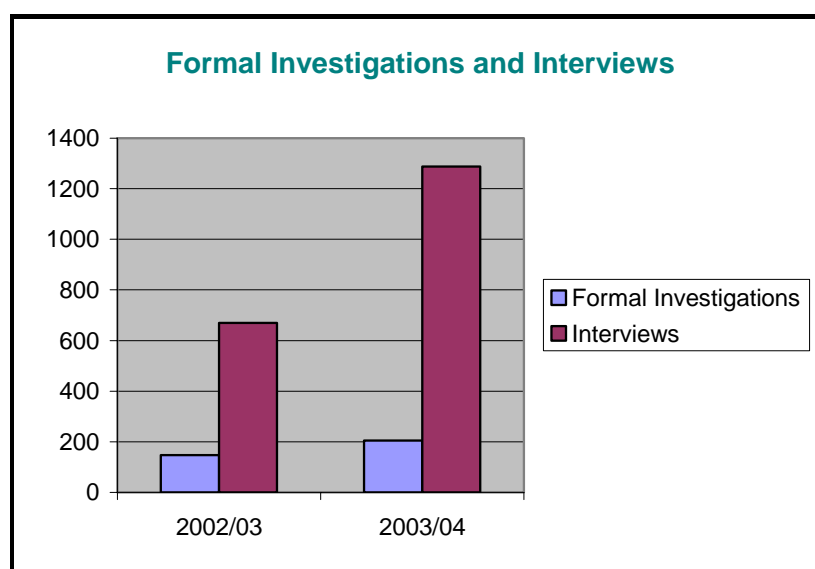
**(Back) Compliance Officers, Darren Leckenby, Craig Duncan, Mitch Burnett, Dan Scopinich and Don Parker**

**(Front) Compliance Officer, Mark Wilkinson, Manager, Rod Sandell, and Administrative Support Officer, Lisa Parker.**

FOI/4

The composition of the section reflects the requirements of the work area with many officers being experienced investigators drawn from law-enforcement areas. The increased level of staffing has not only enabled the Compliance section to respond to allegations against builders within a reasonable timeframe, but has also improved its visibility in the field, which in turn has led to a decrease in the number of infringement notices and formal warnings issued.

As more staff have commenced with the section we have been able to be more active in all areas. As illustrated in the following graph, the number of formal investigations and interviews conducted during the reporting period was significantly higher than last year.



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As a result of the sections investigations, 173 files were referred for consideration of a section 13 inquiry or prosecution. During 2003/04 staff visited 95 local government authorities and a number of country towns in the Mid-West, Great Southern and Goldfields areas.

Targeted industry blitzes, usually conducted over 1-3 days, were also undertaken in the metropolitan area. The results of these investigations were as follows:

| <b>TYPE OF BUILDING SITE</b> | <b>NUMBER OF SITES VISITED</b> | <b>NUMBER OF INFRINGEMENTS ISSUED</b> | <b>NUMBER REFERRED FOR INVESTIGATION</b> |
|------------------------------|--------------------------------|---------------------------------------|--|
| <b>Commercial</b>            | 70                             | 12                                    | 3  |
| <b>Light Industrial</b>      | 238                            | 24                                    | 4  |
| <b>Owner-Builder</b>         | 180                            | 25                                    | 13                                       |

## BUILDING DISPUTES TRIBUNAL

The Tribunal is established under section 26 of the BRA. It is an independent quasi-judicial body, separate from the Board. The Tribunal's primary role is to provide a straightforward, inexpensive forum for adjudicating building disputes. These can arise from claims that building work has not been carried out to a proper standard; that either party has broken the terms of the contract; or when a dispute arises from breaches of the provisions of Part II of the HBCA. This role differs substantially from the Board's, which is responsible for the registration of builders, disciplinary procedures and inspections.



**Tribunal Staff (left to right)**  
**(Back) Jim Dalton, Manager, Michael Parker and Liz Slodski**  
**(Front) Jill Hoyle and Sonia Abrey**

FOI/4

### The Tribunal

All Tribunal members are appointed by the Minister, with their selection based on an ability to bring broad-ranging skills and experience to the group and the ability to represent the interests of builders and consumers.

The Chairman of the Tribunal is Paul Marsh (Chairman of the Board) and there are 11 Deputy Chairs who are also legal practitioners, 11 consumer representatives, 10 HIA nominees and 10 MBA nominees.

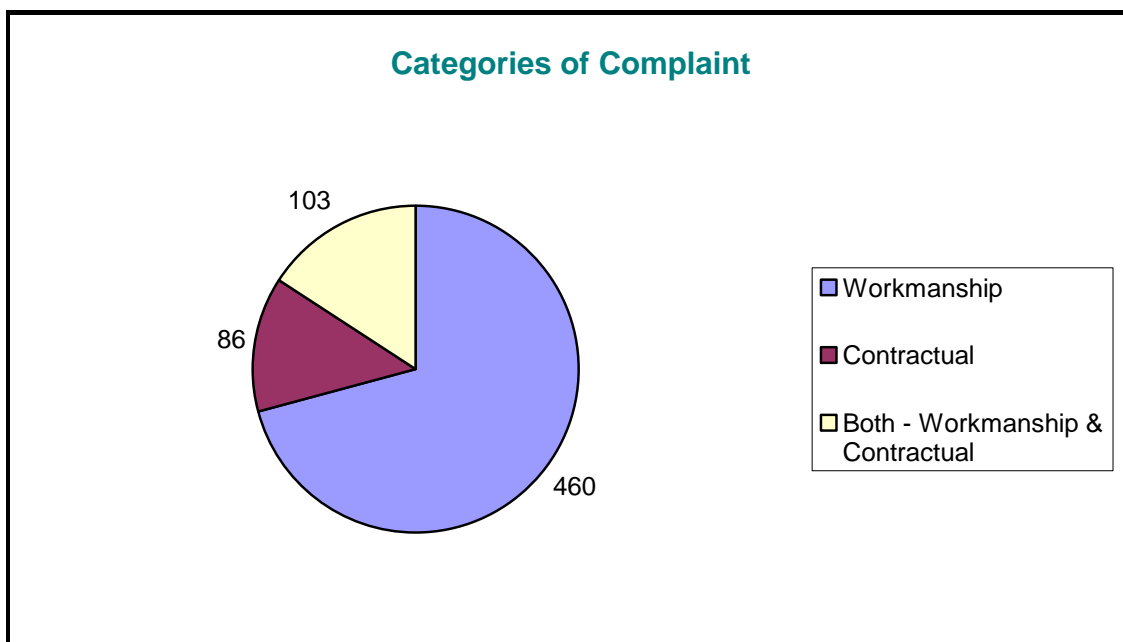
### Funding of the Tribunal

As provided under the BRA, the Board funds the Tribunal and provides staff and administrative support to assist the Tribunal carry out its day to day functions. In 2003/04, \$1,229,175 was allocated for the dispute resolution process. The full cost, including inspections, was \$1,446,888. The Board did not impose any restriction on the operations of the Tribunal during the year.

### Complaints

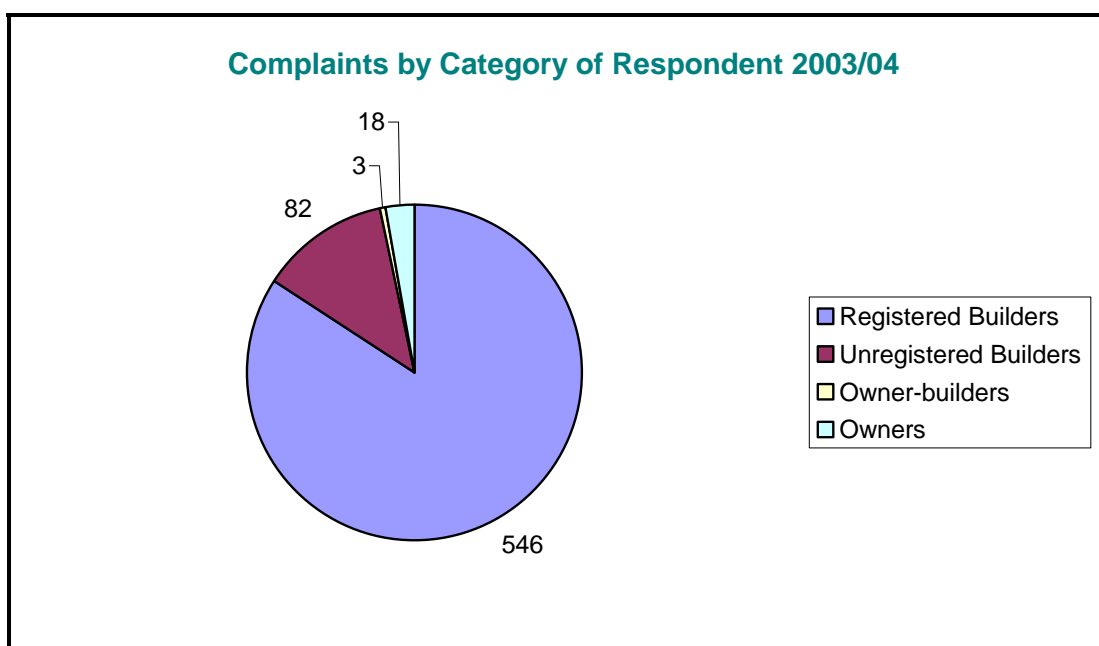
2003/04 saw a 19% increase in the volume of complaints received by the Tribunal, with the number rising from 544 in 2002/03 to 649 in 2003/04. This increase can be attributed to the building activity currently being experienced across the State - the greater the volume of building work undertaken, the greater the likelihood that a dispute could arise. Indications are that this trend will continue into the next reporting period.

The following chart provides a general overview of complaint categories that were considered during 2003/04.



The Tribunal sat for 255 days during the reporting period and heard 513 matters. These included 31 preliminary/direction hearings and 76 part-heard matters. Fifty-two requests for 'Reasons for Decision' were also made during the year.

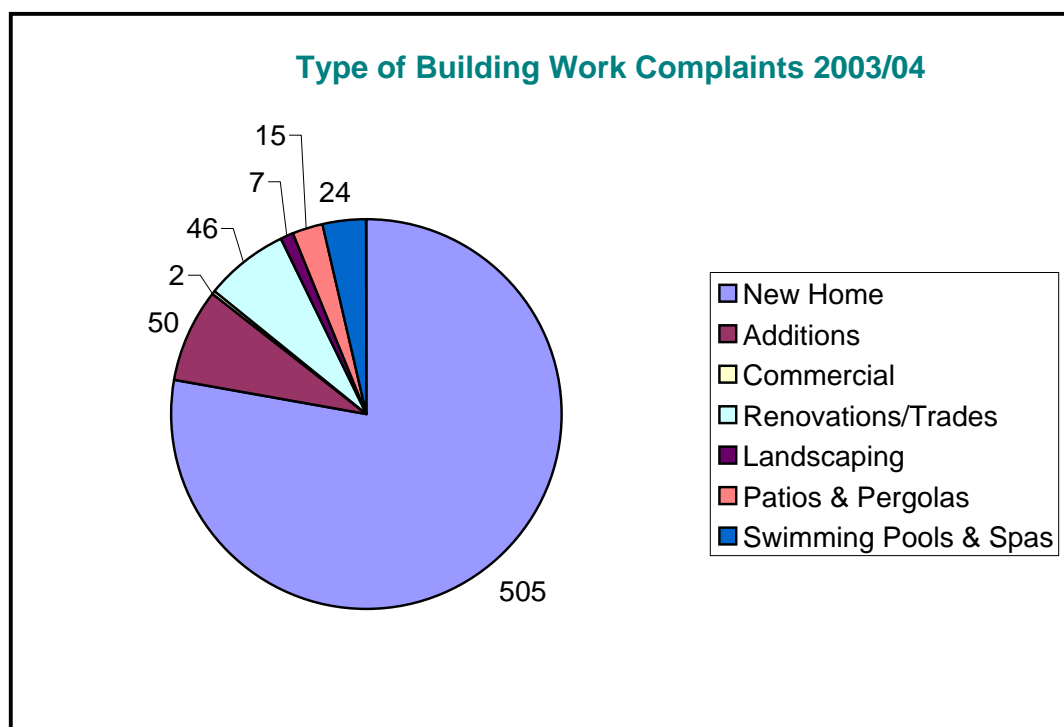
The respondent to a Tribunal complaint may come from a variety of areas. During the reporting period, respondents fell within the following categories.





The authority to exercise jurisdiction on the Tribunal's behalf can be delegated. The Tribunal has delegated this jurisdiction to the Registrar and Deputy Registrar. Of the 348 matters determined under delegation 58 requests were made for review by the Tribunal.

The type of work giving rise to complaints is as illustrated below:



The following table indicates the volume and type of complaint received, and also provides a comparison with previous years.

| <b>COMPLAINTS RECEIVED</b>  |             |                |                |                |
|-----------------------------|-------------|----------------|----------------|----------------|
| <i>Respondents</i>          | <b>2000</b> | <b>2001/02</b> | <b>2002/03</b> | <b>2003/04</b> |
| <b>Registered Builders</b>  | 691         | 456            | 407            | 546            |
| <b>Unregistered Persons</b> | 144         | 80             | 119            | 82             |
| <b>Owners</b>               | 51          | 42             | 49             | 18             |
| <b>Owner-Builders</b>       | 4           | 1              | 2              | 3              |
| <b>Trades from Owners</b>   | 15          | 0              | 0              | 0              |
| <b>TOTAL</b>                | <b>905</b>  | <b>579</b>     | <b>577</b>     | <b>649</b>     |

Once a complaint is lodged, and the case heard, the Tribunal will make an order for:

- the builder/contractor to remedy the problem;
- the builder/contractor to pay the consumer the reasonable cost of remedial work;
- the builder/contractor to pay compensation;
- the consumer to pay the builder/contractor; or
- the complaint be dismissed.

The following table illustrates Orders made.

| <b>ORDERS ISSUED</b>                |             |                |                |                |
|-------------------------------------|-------------|----------------|----------------|----------------|
|                                     | <b>2000</b> | <b>2001/02</b> | <b>2002/03</b> | <b>2003/04</b> |
| Orders to Remedy (BDT)              | 26          | 43             | 54             | 80             |
| Orders to Remedy (Under Delegation) | 229         | 254            | 233            | 334            |
| Orders to Pay (BDT)                 | 77          | 164            | 135            | 162            |
| Orders to Pay (Under Delegation)    | 14          | 24             | 11             | 14             |
| <b>TOTAL</b>                        | <b>346</b>  | <b>495</b>     | <b>433</b>     | <b>590</b>     |

| <b>ORDERS TO PAY</b>    |                |                |                |
|-------------------------|----------------|----------------|----------------|
|                         | <b>2001/02</b> | <b>2002/03</b> | <b>2003/04</b> |
| Issued by Tribunal      | \$1,076,835    | \$1,120,254    | \$1,165,366    |
| Issued under Delegation | \$ 35,417      | \$ 9,835       | \$ 15,734      |
| <b>Allocation</b>       |                |                |                |
| Owners to pay Builder   | \$ 110,846     | \$ 99,079      | \$ 139,323     |
| Builders to pay Owner   | \$1,001,407    | \$1,031,010    | \$1,041,777    |

Note: The value of these Orders is the net result of the resolution of a dispute and is often the consequence of setting off awards to each of the opposing parties.

| <b>FINANCIAL STATEMENT OF THE COST OF MANAGING THE DISPUTE RESOLUTION PROCESS</b> |                    |
|---|--------------------|
| <b>INCOME</b>   |                    |
| Tape Transcription  | \$6,359            |
| Complaint Fees and Recoveries   | \$16,255           |
| <b>Total</b>  | <b>\$22,584</b>    |
| <b>EXPENDITURE</b>  |                    |
| Tribunal Fees   | \$502,454          |
| Staff Salaries/Superannuation   | \$261,355          |
| Inspections   | \$641,178          |
| Office Support Costs  | \$41,901           |
| <b>Total</b>  | <b>\$1,446,888</b> |

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## CORPORATE SERVICES

The section is responsible for the Board's financial management, human resources (HR), information technology and general administration functions, as well as the preparation and monitoring of the budget.



**Corporate Services Staff (left to right)**

**(Back) Diane Dean, Ian Wilson (Manager) and Lorraine Panizza  
(Front) Joanne Carter, Jasmine Weir and Melanie Robinson**

**FOI/4**

As part of its human resources function the section administers the Board's HR policies and procedures and provides payroll, recruitment and HR development services. Corporate Services staff administer the organisation's workers compensation and employee relations functions, implement and monitor the government's equal employment opportunity and occupational health and safety requirements, and monitor the Board's code of conduct.

## EDUCATION & TRAINING

As one of the Board's newer sections (established in April 2003) this reporting period has seen considerable growth in the range and volume of activities undertaken. Its primary role is to develop and implement programs and publications that inform and educate builders and the general public on a range of issues relating to the BRA, the HBCA and associated regulations. To achieve this the section has coordinated a number of workshops and seminars (for industry, the general public and Board staff), organised the Board's participation in a variety of trade expos, information evenings and workshops, and developed a range of brochures, pamphlets and other information sharing strategies.



### **Education and Staff**

(left to right)

**Joan Susinetti and Adrienne Whiting.**

**FOI/4**

### Sponsorship and Awards

During the reporting period particular attention was given to increasing the Board's profile and industry standards through a range of activities. In 2003/04 the Board sponsored the Australian Institute of Building Surveyors/Housing Industry Association State Conference, the HomeBase Expo Owner-Builder Workshop series, the Master Builders Association (MBA) Excellence in Building Practice Awards (metropolitan and regional) and the Housing Industry Association Housing Excellence Awards (metropolitan and regional). The Board also continues to support and recognise academic excellence by sponsoring the Central TAFE Award for the Best Graduating Student in the Diploma of Builders' Registration.

2003/04 also provided the Board with an opportunity to increase its industry/community profile by participating in the MBA Building Homestyle Show. A number of Board staff participated in this event and enjoyed the opportunity to interact with members of the public during this popular three day event. As the number of owner-builders (as a group they are perhaps the largest 'builder' in the State) and owners of new homes continues to rise, it is particularly important to address this often hidden sector through community forums and other awareness raising opportunities.

One such avenue is provided through the Board's sponsorship of HomeBase Expo's Owner-Builder Workshops. As a part of this sponsorship the Registrar has been invited on a number of occasions to be a guest speaker on HomeBase Expo's regular Friday morning radio (720 6WF) home style program.

The Board considers these aspects of its functions to be most important as it fosters a positive attitude to the Board and the objectives of the BRA and the HBCA.

During 2003/04 the section coordinated the design and promotion of a new corporate image for the Board. The Board's logo, stationary, folders, and a variety of pamphlets and brochures were redesigned and, due to our increased involvement in trade evenings and expos, new banners and displays were developed to help redefine the Board's image and to increase our presence in the community and building industry.

Staff also presented information sessions relating to our Acts and Regulations for the Cabinet Makers Association, MBA, Landscape Industry Association, Australian Institute of Building Surveyors, and the HIA. Training information packs were developed for each of these presentations.

In line with the Board's commitment to ensure that consumers become better informed of its services and activities, regular advertisements were placed in Saturdays' West Australian newspaper as a reminder that all building work valued over \$12,000 must be provided by a registered builder. In addition, articles were placed in the local and regional press relating to Board prosecutions and other relevant issues, and the Board has contributed articles for a number of consumer and trade specific publications.

### Staff Training

During the reporting period considerable effort was made to meet the staff training needs identified through the 2002/03 Training Needs Analysis. All Compliance Officers have now completed the Certificate IV in Investigation and Enforcement, and Training Officer, Adrienne Whiting, has completed the Certificate IV in Workplace Training and Assessment. Particular attention has been given to training all staff in the use of the Synergy information technology system with a number of half and full day courses organised during the year to upgrade/reinforce staff skills. Two in-house courses were also organised to familiarise staff and Board members with regard to reading/interpreting financial statements.

# FINANCIAL REPORT

## Financial Statements

Section 23A of the BRA 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.

Rix Levy Fowler was appointed and approved to audit the 2003/04 accounts.

Section 23B of the BRA requires that the Board shall, on or before 30 September in each reporting year, make and submit to the Minister an annual report of its proceedings for the preceding year ending on June 30, together with a copy of the financial statements and the auditors report.

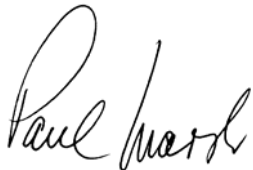
Section 23(B (1a) of the BRA requires that the annual report contains separate reports on the operations of the Board referred to in section 8B (4) (a) (b). Financial Statements detailing the administrative functions of the Board and the management of dispute resolution procedures are included within this report.

## Board Statement on its Finances

The financial outcome for 2003/4 is an operating surplus of \$73,373. The surplus is the result of several factors. The continuing high level of building activity in the State has contributed to higher than expected revenue arising from building license levies. The Board has also managed its expenditure in a prudent manner by developing its staffing and activities in accordance with its Corporate Plan and Approved Budget.

The Board wishes to maintain heightened levels of activity across the full range of its functions – registration, compliance, education and training, disputes resolution and technical services. This will require review of operating strategies and of the amounts prescribed for fees and levies collected by the Board.

On this basis, the Board is confident that it will have financial resources to develop its statutory functions in a systematic and orderly manner. 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.



**Paul Marsh**  
**CHAIRMAN**



**Nigel Lilley**  
**REGISTRAR**



**BUILDERS' REGISTRATION BOARD  
OF  
WESTERN AUSTRALIA**

**AUDITED FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**



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## BUILDERS' REGISTRATION BOARD OF WA

### INDEX TO FINANCIAL REPORT FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004-09-29

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| Statement of Financial Performance                | 3 - 4  |
| Statement of Financial Position                   | 5      |
| Statement of Cash Flows                           | 6      |
| Notes to and forming part of the Financial Report | 7 - 15 |



**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**STATEMENT BY REGISTRAR  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

In the opinion of the Registrar of the Board the financial report as set out on pages 3 to 15:

1. Presents fairly the financial position of the Builders' Registration Board of Western Australia as at 30 June 2004 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.



N LILLEY  
Registrar

Date this 22 day of September 2004.



## Rix Levy Fowler

CHARTERED BUSINESS ADVISORS

### INDEPENDENT AUDIT REPORT TO THE MINISTER FOR CONSUMER AND EMPLOYMENT PROTECTION FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004

#### Scope

We have audited the financial report, being a special purpose financial report comprising the Statement of Cash Flows, Statement of Financial Performance, Statement of Financial Position, and notes to and forming part of the Financial Statements of the Builders' Registration Board of Western Australia for the financial year ended 30 June 2004. The Members of the Board are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of Section 23(1) of the Builders' Registration Act 1939 (as amended). We have conducted an independent audit of this financial report in order to express an opinion on it to the Minister. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Board's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

#### Audit Opinion

In our opinion the financial report presents fairly in accordance with the requirements of section 23(1) of the Builders' Registration Act 1939 (as amended) and the accounting policies described in Note 1 to the financial statements, the financial position of Builders' Registration Board of Western Australia as at 30 June 2004 and the results of its operations for the year then ended.

*Rix Levy Fowler*

Rix Levy Fowler  
CHARTERED BUSINESS ADVISORS

*George Lazarou*  
George Lazarou  
PARTNER

DATED at PERTH this 22<sup>nd</sup> day of SEPTEMBER 2004  
P:\B\Builders Registration Board\Audit\2004\Independent Audit Report 2004 [www.rixlevyfowler.com.au](http://www.rixlevyfowler.com.au)

EST. 1975

#### Partners:

Phillip Rix FCA  
Jon Carcich CA  
George Lazarou CA  
Ranko Matic CA

#### Services:

Accounting  
Audit & Assurance  
Business Advisory  
Business Valuations  
Corporate Advisory  
Corporate Secretarial  
Superannuation  
Taxation Planning  
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#### Postal Address:

PO Box 44  
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#### Business Address:

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12 Kings Park Road,  
West Perth WA 6005

Ph: (08) 9226 4500  
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| <b>BUILDERS' REGISTRATION BOARD OF W.A.</b>                |              |                                      |                                      |
|--|--------------|--------------------------------------|--------------------------------------|
| <b>STATEMENT OF FINANCIAL PERFORMANCE</b>                  |              |                                      |                                      |
| <b>FOR THE PERIOD 1 JUNE 2003 TO 30 JUNE 2004</b>          |              |                                      |                                      |
|  | <b>Notes</b> | <b>12 months to<br/>30 June 2004</b> | <b>12 months to<br/>30 June 2003</b> |
|  |              | <b>\$</b>                            | <b>\$</b>                            |
| <b>Income</b>  |              |                                      |                                      |
| Annual registration fees                                   |              | 1,854,359                            | 1,743,160                            |
| Administration income                                      | 1 (e)        | 114,000                              | 111,000                              |
| Application fees   |              | 130,002                              | 73,791                               |
| Arrears and penalties                                      |              | 5,675                                | 4,965                                |
| Building Disputes Tribunal recoveries                      |              | 22,584                               | 15,416                               |
| Building licence levy                                      |              | 1,978,465                            | 1,747,358                            |
| Certificate fees   |              | 10,095                               | 8,470                                |
| Interest on investments                                    |              | 81,097                               | 48,034                               |
| Other income   |              | 40,929                               | 26,652                               |
| Owner-builder levy   |              | 296,775                              | 301,340                              |
| Profit on sale of motor vehicles                           |              | 681                                  | 7,191                                |
| Prosecutions recoveries – Board                            |              | 118,759                              | 144,372                              |
| Prosecutions recoveries – Court                            |              | 37,271                               | 42,480                               |
| Publication and photocopy sale                             |              | 168                                  | 1,026                                |
| Rent received  |              | 3,408                                | 2,567                                |
| Secretarial support recoupment                             |              | 63,494                               | 37,571                               |
|  |              | -----                                | -----                                |
| <b>Total Income</b>  |              | <b>4,757,762</b>                     | <b>4,315,393</b>                     |
|  |              | -----                                | -----                                |
| <b>Expenditure</b>   |              |                                      |                                      |
| Advertising/Promotions                                     |              | 21,376                               | 47,874                               |
| Annual leave   |              | 54,038                               | 52,835                               |
| Annual award and examination expenses                      |              | 43,459                               | 33,745                               |
| Audit expenses   |              | 6,000                                | 6,030                                |
| Bad debts  |              | 76,840                               | 0                                    |
| Bank charges   |              | 20,599                               | 14,889                               |
| Board members' fees  |              | 222,491                              | 137,937                              |
| Building Disputes Tribunal fees                            |              | 584,602                              | 327,765                              |
| Building licence levies-collection costs                   |              | 329,744                              | 291,226                              |
| Computer expenses  |              | 55,232                               | 37,673                               |
|  |              |                                      |                                      |
|  |              |                                      |                                      |
|  |              |                                      |                                      |
| The accompanying notes form part of this financial report. |              |                                      |                                      |
|  |              |                                      |                                      |

| <b>BUILDERS' REGISTRATION BOARD OF W.A.</b>                |       |                              |                              |
|--|-------|------------------------------|------------------------------|
| <b>STATEMENT OF FINANCIAL PERFORMANCE</b>                  |       |                              |                              |
| <b>FOR THE PERIOD 1 JUNE 2003 TO 30 JUNE 2004</b>          |       |                              |                              |
|  | Notes | 12 months to<br>30 June 2004 | 12 months to<br>30 June 2003 |
|  |       | \$                           | \$                           |
| <b>Expenditure (cont...)</b>                               |       |                              |                              |
| Consultants' fees  |       | 9,485                        | 30,834                       |
| Consultant inspectors                                      |       | 144,340                      | 122,971                      |
| Depreciation   |       | 204,274                      | 192,932                      |
| Doubtful debts   |       | (47,119)                     | 20,000                       |
| Education and training expenses                            |       | 17,984                       | 0                            |
| Fringe benefits tax  |       | 23,297                       | 20,862                       |
| Insurance premiums   |       | 32,897                       | 32,418                       |
| Interest expense   |       | 0                            | 19,439                       |
| Legal expenses   |       | 32,358                       | 14,990                       |
| Long service leave   |       | 28,942                       | (17,111)                     |
| Motor vehicle expenses                                     |       | 30,824                       | 29,139                       |
| General / Office expenses                                  |       | 99,392                       | 64,056                       |
| Payroll tax  |       | 89,118                       | 47,686                       |
| Photocopier expenses                                       |       | 52,788                       | 33,134                       |
| Postage and courier charges                                |       | 26,739                       | 34,828                       |
| Printing and stationery                                    |       | 64,550                       | 41,738                       |
| Rates, cleaning and electricity                            |       | 77,040                       | 68,641                       |
| Repairs and maintenance                                    |       | 7,947                        | 6,527                        |
| Salaries   |       | 1,867,916                    | 1,339,471                    |
| Social business expenses                                   |       | 8,900                        | 4,978                        |
| Staff training expenses                                    |       | 56,384                       | 16,447                       |
| Subscriptions  |       | 13,601                       | 11,350                       |
| Superannuation contributions                               |       | 368,098                      | 323,491                      |
| Telephone  |       | 45,368                       | 32,850                       |
| Travelling and accommodation                               |       | 14,885                       | 13,639                       |
|  |       | -----                        | -----                        |
| <b>Total Expenditure</b>                                   |       | <b>4,684,389</b>             | <b>3,455,284</b>             |
|  |       | -----                        | -----                        |
| <b>Operating Surplus</b>                                   | 5     | <b>73,373</b>                | <b>860,109</b>               |
|  |       | =====                        | =====                        |
|  |       |                              |                              |
|  |       |                              |                              |
|  |       |                              |                              |
|  |       |                              |                              |
|  |       |                              |                              |
| The accompanying notes form part of this financial report. |       |                              |                              |
|  |       |                              |                              |

| <b>BUILDERS' REGISTRATION BOARD OF W.A.</b> |       |                  |                  |
|---|-------|------------------|------------------|
| <b>STATEMENT OF FINANCIAL POSITION</b>      |       |                  |                  |
| <b>AS AT 30 JUNE 2004</b>                   |       |                  |                  |
|   | Notes | 30 June 2004     | 30 June 2003     |
|   |       | \$               | \$               |
| <b>Current assets</b>                       |       |                  |                  |
| Cash  | 7a    | 2,228,374        | 1,785,004        |
| Receivables                                 | 2     | 408,613          | 342,653          |
| <b>Total current assets</b>                 |       | <b>2,636,987</b> | <b>2,127,657</b> |
| <b>Non-current assets</b>                   |       |                  |                  |
| Property, plant & equipment                 | 3     | 2,108,901        | 2,125,828        |
| <b>Total non-current assets</b>             |       | <b>2,108,901</b> | <b>2,125,828</b> |
| <b>TOTAL ASSETS</b>                         |       | <b>4,745,888</b> | <b>4,253,485</b> |
| <b>Current liabilities</b>                  |       |                  |                  |
| Payables                                    |       | 204,227          | 18,399           |
| Income in advance                           |       | 902,884          | 860,344          |
| Accrued expenses                            |       | 114,793          | 147,910          |
| Provision for employee entitlements         | 4     | 359,728          | 276,749          |
| Provision for superannuation 2001/2004      |       | 140,800          | 0                |
| <b>Total current liabilities</b>            |       | <b>1,722,432</b> | <b>1,303,402</b> |
| <b>TOTAL LIABILITIES</b>                    |       | <b>1,722,432</b> | <b>1,303,402</b> |
| <b>NET ASSETS</b>                           |       | <b>3,023,456</b> | <b>2,950,083</b> |
| <b>BOARD FUNDS &amp; RESERVES</b>           |       |                  |                  |
| Accumulated funds                           | 5     | 2,420,982        | 2,347,609        |
| Asset revaluation reserve                   | 6     | 602,474          | 602,474          |
| <b>TOTAL BOARD FUNDS &amp; RESERVES</b>     |       | <b>3,023,456</b> | <b>2,950,083</b> |

The accompanying notes form part of this financial report.



**BUILDERS' REGISTRATION BOARD OF WA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

|   | Notes | 12 months to<br>30 June<br>2004 | 12 months to<br>30 June<br>2003 |
|---|-------|---------------------------------|---------------------------------|
|   |       | \$                              | \$                              |
| <b>Cash flows from operating activities</b>           |       |                                 |                                 |
| Receipts from Registered Builders                     |       | 1,851,174                       | 1,781,783                       |
| Building licence and owner-builder levies             |       | 1,831,122                       | 1,793,114                       |
| Payments to suppliers and employees                   |       | (3,716,875)                     | (2,902,005)                     |
| Receipts of administration fee income                 |       | 114,000                         | 111,000                         |
| Interest received                                     |       | 81,096                          | 48,034                          |
| Prosecution/Inquiry monies received                   |       | 175,398                         | 79,758                          |
| Other receipts  |       | 252,820                         | 170,458                         |
|   |       | -----                           | -----                           |
| <b>Net cash flow provided by operating activities</b> | 7 (b) | <b>588,735</b>                  | <b>1,082,142</b>                |
|   |       | -----                           | -----                           |
| <b>Cash flows from investing activities</b>           |       |                                 |                                 |
| Proceeds on sale of plant and equipment               |       | 113,592                         | 67,591                          |
| Payments on purchase of plant and equipment           |       | (258,957)                       | (214,581)                       |
|   |       | -----                           | -----                           |
| <b>Net cash used in investing activities</b>          |       | <b>(145,365)</b>                | <b>(146,990)</b>                |
|   |       | -----                           | -----                           |
| <b>Cash flows from financing activities</b>           |       |                                 |                                 |
| Repayment of borrowings                               |       | 0                               | (591,812)                       |
|   |       | -----                           | -----                           |
| <b>Net cash used by financing activities</b>          |       | <b>0</b>                        | <b>(591,812)</b>                |
|   |       | -----                           | -----                           |
| Net increase in cash held                             |       | 443,370                         | 343,340                         |
| Cash at the beginning of the financial year           |       | 1,785,004                       | 1,441,664                       |
|   |       | -----                           | -----                           |
| Cash at the end of the financial year                 | 7 (a) | <b>2,228,374</b>                | <b>1,785,004</b>                |
|   |       | -----                           | -----                           |

The accompanying notes form part of this financial report.

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**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

**NOTE 1 ACCOUNTING METHODS AND POLICIES**

This financial report is a special purpose financial report 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 report has been prepared in accordance with the requirements of the Builders Registration Act 1939 (as amended) and the following Australian Accounting Standards:

AASB 1002 Events Occurring After Reporting Date  
AASB 1018 Statement of Financial Performance  
AASB 1026 Statement of Cash Flows  
AASB 1031 Materiality

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. The financial report 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 report:

(a) Depreciation

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

| <u>Class of Asset</u>                    | <u>Depreciation Rate</u> |
|--|--------------------------|
| Premises                                 | 5%                       |
| Office furniture, fittings and equipment | 15%-20%                  |
| Office refurbishment                     | 15%                      |
| Motor vehicles                           | 20%                      |

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**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

(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 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, and consists of the following:

|                     |                |
|---------------------|----------------|
|                     | \$             |
| Accommodation       | 14,000         |
| Consultants         | 2,600          |
| Vehicles and travel | 1,800          |
| Office equipment    | 2,800          |
| Office expenses     | 11,000         |
| Salaries            | 65,000         |
| Superannuation      | 13,800         |
| Training            | 3,000          |
|                     | -----          |
|                     | <b>114,000</b> |
|                     | -----          |



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**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

**NOTE 2 RECEIVABLES**

|                                    | <b>30 June 2004</b>   | <b>30 June 2003</b>   |
|------------------------------------|-----------------------|-----------------------|
|                                    | \$                    | \$                    |
| Registration fees                  | 43,798                | 40,613                |
| Prosecutions/Inquiries             | 148,705               | 221,321               |
| Infringements                      | 7,473                 | 0                     |
| Building licence levy              | 265,525               | 151,152               |
| Other                              | 13,896                | 21,426                |
|                                    | -----                 | -----                 |
|                                    | 479,397               | 434,512               |
| Less: Provision for doubtful debts | (75,917)              | (123,036)             |
|                                    | -----                 | -----                 |
|                                    | 403,480               | 311,476               |
| Net GST refundable                 | 5,133                 | 31,177                |
|                                    | -----                 | -----                 |
|                                    | <b><u>408,613</u></b> | <b><u>342,653</u></b> |

**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

**NOTE 3 PROPERTY, PLANT & EQUIPMENT**

|   | <b>30 June 2004</b> | <b>30 June 2003</b> |
|---|---------------------|---------------------|
|   | <b>\$</b>           | <b>\$</b>           |
| Premises at independent valuation               | 1,675,000           | 1,675,000           |
| Less: Accumulated depreciation                  | (167,500)           | (83,750)            |
|   | -----               | -----               |
|   | <b>1,507,500</b>    | <b>1,591,250</b>    |
|   | -----               | -----               |
| Office furniture, fittings and equipment – Cost | 442,177             | 497,892             |
| Less: Accumulated depreciation                  | (173,963)           | (293,375)           |
|   | -----               | -----               |
|   | <b>268,214</b>      | <b>204,517</b>      |
|   | -----               | -----               |
| Office refurbishment – Cost                     | 403,965             | 402,965             |
| Less: Accumulated depreciation                  | (297,063)           | (278,198)           |
|   | -----               | -----               |
|   | <b>106,902</b>      | <b>124,767</b>      |
|   | -----               | -----               |
| Motor vehicles – Cost                           | 269,742             | 244,702             |
| Less: Accumulated depreciation                  | (43,457)            | (39,408)            |
|   | -----               | -----               |
|   | <b>226,285</b>      | <b>205,294</b>      |
|   | -----               | -----               |
| <b>Total property, plant and equipment</b>      | -----               | -----               |
|   | <b>2,108,901</b>    | <b>2,125,828</b>    |
|   | -----               | -----               |

Licensed valuers have performed the independent valuation of the premises as at 12 August 2002 using a direct comparison method, which analyses the best available market evidence on a rate per square metre of strata building area.

The loan facility from Adelaide Bank was fully repaid during 2002-2003. However, the mortgage over the premises has not been discharged pending review of the Board's accommodation requirements. The Board is now in a position to discharge the mortgage.

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**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

**NOTE 4 PROVISION FOR EMPLOYEE ENTITLEMENTS**

|                    | <b>30 June 2004</b> | <b>30 June 2003</b> |
|--------------------|---------------------|---------------------|
|                    | <b>\$</b>           | <b>\$</b>           |
| Annual leave       | 193,186             | 139,149             |
| Long service leave | 166,542             | 137,600             |
|                    | -----               | -----               |
|                    | <b>359,728</b>      | <b>276,749</b>      |
|                    | -----               | -----               |

**NOTE 5 ACCUMULATED FUNDS**

|   | <b>30 June 2004</b> | <b>30 June 2003</b> |
|---|---------------------|---------------------|
|   | <b>\$</b>           | <b>\$</b>           |
| Balance at the beginning of the period  | 2,347,609           | 1,487,500           |
| Operating surplus for the period        | 73,373              | 860,109             |
|   | -----               | -----               |
| <b>Balance at the end of the period</b> | <b>2,420,982</b>    | <b>2,347,609</b>    |
|   | -----               | -----               |

**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

**NOTE 6 ASSET REVALUATION RESERVE**

|   | <b>30 June<br/>2004</b> | <b>30 June<br/>2003</b> |
|---|-------------------------|-------------------------|
|   | \$                      | \$                      |
| Balance at the beginning of the period  | 602,474                 | 602,474                 |
| Operating surplus for the period        | 0                       | 0                       |
| <b>Balance at the end of the period</b> | <b>602,474</b>          | <b>602,474</b>          |

**NOTE 7 NOTES TO THE STATEMENT OF CASH FLOWS**

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand 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:

|              | <b>30 June<br/>2004</b> | <b>30 June<br/>2003</b> |
|--------------|-------------------------|-------------------------|
|              | \$                      | \$                      |
| Cash on hand | 1,100                   | 800                     |
| Cash at bank | 2,227,274               | 1,784,204               |
|              | <b>2,228,374</b>        | <b>1,785,004</b>        |

**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

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

|  | <b>30 June 2004</b>                | <b>30 June 2003</b>                  |
|--|------------------------------------|--------------------------------------|
|  | \$                                 | \$                                   |
| Operating surplus for the period   | 73,373                             | 860,109                              |
| Non cash flows in operating surplus:   |                                    |                                      |
| - profit on sale of motor vehicle  | (681)                              | (7,191)                              |
| - depreciation   | 204,274                            | 192,932                              |
| - doubtful debts   | (47,119)                           | 60,000                               |
| Net movement in assets and liabilities:  |                                    |                                      |
| - increase of receivables  | (18,841)                           | (78,841)                             |
| -increase/(decrease) in sundry creditors                                       | 144,527                            | (94,620)                             |
| -increase/(decrease) in accrued expenses                                       | (33,117)                           | 111,640                              |
| -increase/(decrease) in income in advance                                      | 42,540                             | 2,389                                |
| -increase/(decrease) in provision for employee entitlements                    | 82,979                             | 35,724                               |
| -increase/(decrease) in provision for superannuation for Board and BDT members | 140,800                            | 0                                    |
| <b>Net cash provided by operating activities</b>                               | <b>-----<br/>588,735<br/>-----</b> | <b>-----<br/>1,082,142<br/>-----</b> |

**NOTE 8 CONTINGENT LIABILITIES**

- (a) Prior to 30 June 2003, the Builders Registration Board (BRB) had received correspondence from the Government Employees Superannuation Board indicating that superannuation may be payable on Board and Tribunal members' fees.

The BRB had not paid superannuation on Board and Tribunal members' fees in the past as they considered them not to be employees of the BRB.

Since 30 June 2003, the BRB has received notification that the obligation to pay the superannuation rests with the Western Australian Government for the period 1992-2001.

**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

Since 30 June 2003, the BRB has confirmed that it will accept responsibility for superannuation payable for the period 1 July 2001 onwards. For the period 1 July 2001 to 30 June 2004 this totals \$140,800. Therefore the contingent liability recognised at 30 June 2003 has been replaced by a provision for the amount of \$140,800. The provision takes into account interest but not any penalties that may apply due to late payment.

**NOTE 9 BUILDING DISPUTES TRIBUNAL – TRUST ACCOUNTS**

Trust Account deposits are held on behalf of disputing parties in relation to building disputes. These monies are held in a separate trust account and do not reflect as part of the Board's Financial Statements. These accounts have also been audited.

**NOTE 10 EVENT OCCURRING AFTER REPORTING DATE**

At the 30 June 2004, the Board owned 6 of the 12 units comprising the strata-titled property known as Parliament Court, 18 Harvest Terrace, West Perth. For some time, there has been a need to develop the Board's accommodation in accordance with the general development of its functions. However, the matter had not been progressed pending decisions upon the implementation of the State Administrative Tribunal, the proposed amalgamation of the Board's administrative resources with the Department of Consumer and Employment Protection and the non-occurrence of any suitable opportunities in the local property market. An additional unit (Unit 7) became available for acquisition after 30 June 2004 and the Board has taken the opportunity to acquire the unit for \$240,000. Settlement took place on 13 August 2004.

**BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE PERIOD 1 JULY 2003 TO 30 JUNE 2004**

**NOTE 11 THE IMPACT OF ADOPTING INTERNATIONAL ACCOUNTING  
STANDARDS**

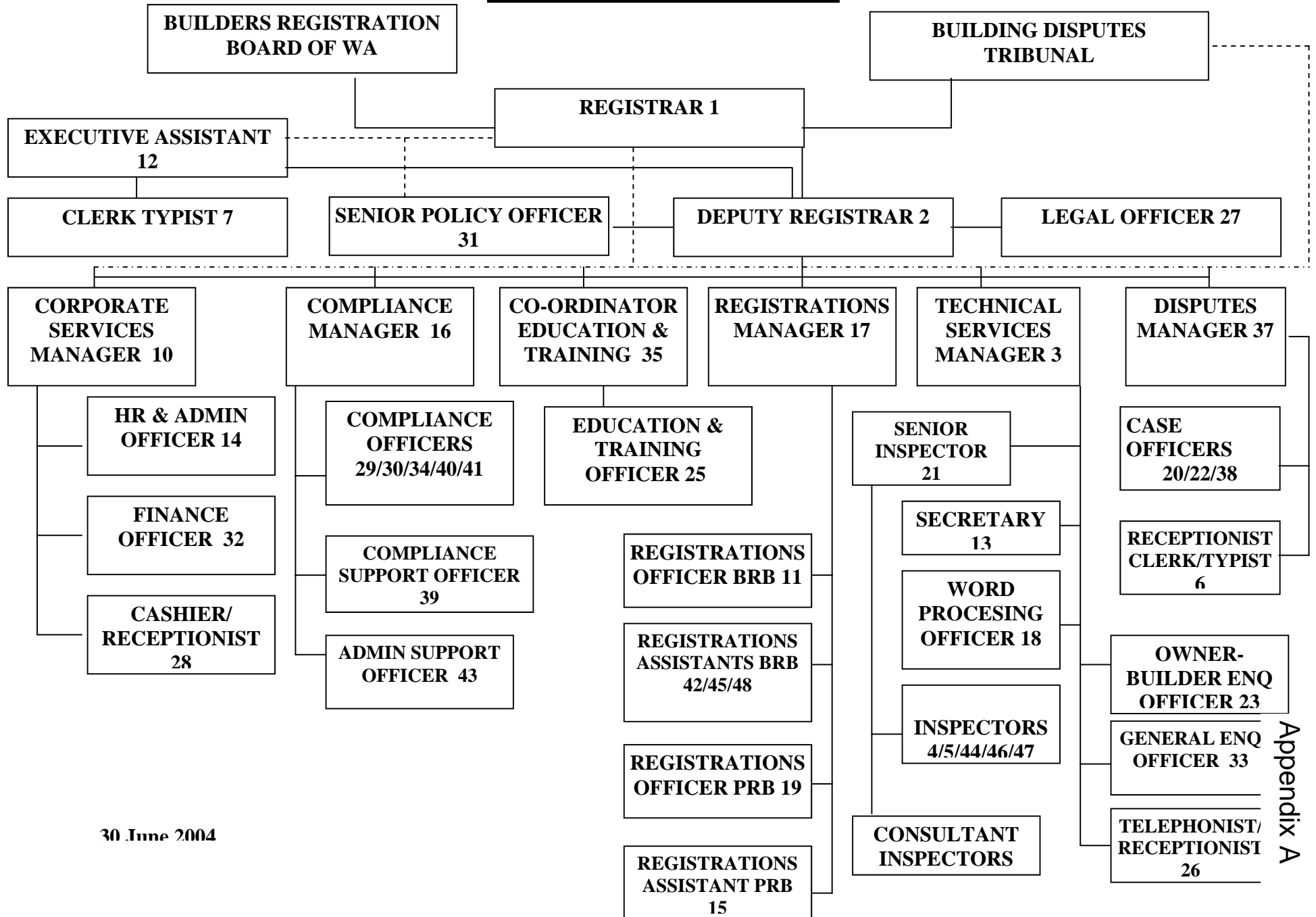
This financial report has been prepared in accordance with the requirements of the Australian Accounting Standards cited in Note 1. For the next reporting period AASB1 *'First-time Adoption of Australian Equivalents to International Financial Reporting Standards'* (IFRS) will be applicable. AASB1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006. AASB 1047 *'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards'* requires financial reports for the periods ending on or after 30 June 2004 to disclose how the transition to Australian standards is being managed and the key differences in accounting policies that are expected to arise. The Board will review in 2004-2005 the impact on its accounting policies of adopting Australian equivalents to IFRS in order to be prepared for the required presentation of its 2004-2005 financial reports.

## **APPENDIX**

- A**            Organisations Chart
- B**            Information Statement: Freedom of Information Index
- C**            Participation in Committees, Meetings, Seminars and Conferences
- D**            Applications for Annulment of Cancelled or Suspended Registration
- E**            Financial Inquiries
- F**            Appeals
- G**            Disciplinary Inquiries
- H**            Nominated Supervisors, Directors and Partners
- I**            Ineligible Persons
- J**            Prosecutions
- K**            Corporate Plan 2003/04



# ORGANISATION STRUCTURE



30 June 2004

Appendix A

## APPENDIX B

| <b>INFORMATION STATEMENT<br/>FREEDOM OF INFORMATION INDEX</b>  |                                |            |
|--|--------------------------------|------------|
|  | <b>Page/s</b>                  | <b>FOI</b> |
| Index  | 16                             | FOI/1      |
| Mission and objectives   | 10, 13, 14                     | FOI/2      |
| Legislation administered   | 11                             | FOI/3      |
| Organisation structure   | 15, 23, 24, 26, 29, 31, 35, 36 | FOI/4      |
| Decision making process  | 14                             | FOI/5      |
| Public participation in the formulation of policy and performance of the Board's functions through consumer and industry representatives | 12                             | FOI/6      |
| Documents held   | 17                             | FOI/7a     |
| No charge – available outside FOI  | 18, 19                         |            |
| For Purchase   | 17                             |            |
| Other documents  | 18                             | FOI/7b     |
| Operation of FOI: How applications are dealt with  | 17                             | FOI/8      |

| <b>PARTICIPATION in COMMITTEES, MEETINGS, SEMINARS<br/>and CONFERENCES 2003/04</b>    |   |   |
|---|---|---|
| <b>Occasion</b>   | <b>Attendee/s</b>   | <b>Activity</b>   |
| Regional and metropolitan meetings of Local Government Building Surveyors (quarterly) | Colin Stretton, Manager, Technical Services               | Ongoing representation of the BRB   |
| MBA committee meetings (monthly)  | Colin Stretton, Manager, Technical Services               | Ongoing representation of the BRB   |
| Standards of Australia – National annual meeting                                      | Colin Stretton, Manager, Technical Services               | Board contributes to the development of standards   |
| Building Licencing Authority National Conference                                      | Nigel Lilley, Registrar<br>Vic Websdane, Deputy Registrar | Debate issues and develop national consistency in licencing & home indemnity of builders        |
| Central Metropolitan College of TAFE Awards   | Joan Susinetti, Coordinator, Education and Training       | Presentation of the BRB award for academic achievement in the Diploma of Builders' Registration |
| Building Regulations Advisory Committee   | Colin Stretton, Manager Technical Services                | Contributing to technical documentation   |
| MBA construction managers roundtable  | Rod Sandell, Manager, Compliance                          | Discussion forum – development of protocols   |
| MBA regional managers meeting   | Mark Wilkinson, Compliance Officer                        | Guest speaker   |
| CSSN Building Design and Building Studies   | Joan Susinetti, Coordinator, Education and Training       | Ongoing representation of the BRB – training discussion forum                                   |
| Landscape Association   | Colin Stretton, Manager, Technical Services               | Guest speaker   |
| Cabinet Makers Association  | Nigel Lilley, Registrar                                   | Guest speaker   |
| Owner-Builder Workshop/s HomeBase Expo  | Joan Susinetti, Coordinator, Education and Training       | Strategic Alliance. Education program   |
| WA Licencing Forum – State Training Board   | Joan Susinetti, Coordinator, Education and Training       | Discussion forum  |
| MBA Executive   | Paul Marsh, Chairman<br>Nigel Lilley, Registrar           | Discuss industry concerns   |
| HIA Executive   | Paul Marsh, Chairman<br>Nigel Lilley, Registrar           | Discuss industry concerns   |
| Consumer Association  | Nigel Lilley, Registrar                                   | General discussion  |
| Plumbers Licencing Board Industry Forum   | Nigel Lilley, Registrar                                   | Discussion forum  |
| Australian Institute of Building Surveyors  | Rod Sandell, Manager Compliance                           | Guest speaker   |
| MBA Building Code of Australia Energy Efficiency                                      | Nigel Lilley, Registrar                                   | Sponsor. Education initiative   |
| Department of Housing and Works – Building Code of Australia (General)                | Nigel Lilley, Registrar                                   | Sponsor. Education initiative   |

| Section 13(2) APPLICATIONS FOR ANNULMENT OF CANCELLED OR SUSPENDED REGISTRATION 2003/04 |   |                          |  |
|---|---|--------------------------|--|
| Name  | Suspended or Cancelled<br>(Month/Year)<br>[Reason]  | Date of Board<br>meeting | Outcome                                |
| T. Paparusic  | Suspended (3/02)<br>[Financial Grounds]   | 10/7/03                  | Annulled                               |
| S. Rowe **  | Cancelled (1/01)<br>[Financial Grounds]   | 10/7/03                  | Annulled for<br>employment<br>purposes |
| K. Moir **  | Suspended (10/97)<br>HBCA Offence & Financial Grounds]                                    | 10/03                    | Annulled for<br>employment<br>purposes |
| J. Mulligan   | Cancelled (5/98)<br>[Financial Grounds]   | 14/8/03                  | Annulled                               |
| S. Geha   | Suspended (3/01)<br>[Financial Grounds]   | 14/8/03                  | Refused                                |
| H. Lewis  | Cancelled (6/91)<br>[Financial Grounds]   | 14/8/03                  | Annulled                               |
| P. Herkess  | Suspended (11/99)<br>[Financial Grounds]  | 14/8/03                  | Annulled                               |
| M. Carbone  | Suspended (6/02)<br>[Financial Grounds]   | 9/10/03                  | Refused                                |
| J. Dick **  | Cancelled (12/96)<br>[Financial Grounds]  | 9/10/03                  | Annulled for<br>employment<br>purposes |
| G. MacDonald  | Suspended (1/95)<br>[Financial Grounds]<br>Cancelled (1/95)<br>[[Negligence/Incompetence] | 9/10/03                  | Refused                                |
| M. Afrasiabi  | Suspended (8/03)<br>[Negligence/Incompetence &<br>Failure to Manage & Supervise]          | 13/11/03                 | Adjourned                              |
| M. Peacock  | Suspended (9/00)<br>[Financial Grounds]   | 13/11/03                 | Annulled for<br>employment<br>purposes |
| J. Paton **   | Cancelled (5/95)<br>[Financial Grounds]   | 13/11/03                 | Annulled for<br>employment<br>purposes |
| S. Geha   | Suspended (3/01)<br>[Financial Grounds]   | 4/12/03                  | Annulled                               |
| P. Edmonds **   | Suspended (3/00)<br>[Financial Grounds]   | 4/12/03                  | Annulled for<br>employment<br>purposes |

**Section 13(2) APPLICATIONS FOR ANNULMENT OF CANCELLED OR  
SUSPENDED REGISTRATION 2003/04 continued**

| <b>Name</b>          | <b>Suspended or Cancelled<br/>(Month/Year)<br/>[Reason]</b> | <b>Date of<br/>Board<br/>meeting</b> | <b>Outcome</b>                         |
|----------------------|---|--------------------------------------|--|
| Name                 | Suspended or Cancelled (Month/Year)<br>[Reason]             | Date of<br>Board<br>meeting          | Outcome                                |
| A. Veneziani<br>**   | Cancelled (3/98)<br>[Financial Grounds]                     | 4/12/03                              | Annulled for<br>employment<br>purposes |
| B. Green **          | Cancelled (10/94)<br>[Financial Grounds]                    | 4/12/03                              | Annulled for<br>employment<br>purposes |
| J. Belcastro         | Suspended (10/94)<br>[Financial Grounds]                    | 29/1/04                              | Annulled                               |
| G. Clinton-<br>Burns | Suspended (2/02)<br>[Financial Grounds]                     | 26/2/04                              | Adjourned                              |
| R. Olsen             | Cancelled (5/98)<br>[Financial Grounds]                     | 25/3/04                              | Annulled                               |
| L. Lubowicki         | Suspended (9/02)<br>[Negligence/Incompetence]               | 29/4/04                              | Refused                                |
| R. Fisher            | Cancelled (7/97)<br>[Financial Grounds]                     | 29/4/04                              | Adjourned                              |
| B. Maine             | Cancelled (3/01)<br>[Financial Grounds]                     | 22/6/04                              | Adjourned                              |

| <b>FINANCIAL INQUIRIES [Section 13(1)(ba)] 2003/04</b> |              |                   |
|--|--------------|-------------------|
| <b>INDIVIDUALS</b>                                     |              |                   |
| D. McLoughlin  | Suspended    | Financial Grounds |
| G. Morton  | Suspended    | Financial Grounds |
| R. Jones   | Adjourned    |                   |
| S. Messina   | Adjourned    |                   |
| D. Hillier   | Cancelled    | Financial Grounds |
| J.C. Barratt   | Discontinued |                   |
| L. Wainwright  | Cancelled    | Financial Grounds |
| S. Rowe  | Adjourned    |                   |
| M. Law   | Adjourned    |                   |
| A.J. Bell  | Adjourned    |                   |
| A. Ambrosino   | Suspended    | Financial Grounds |
| R.G. Roberts   | Suspended    | Financial Grounds |
| G. Cowie   | Suspended    | Financial Grounds |
| R. Romberg   | Adjourned    |                   |
| M.F. Farrell   | Discontinued |                   |
| C. McGill  | Suspended    | Financial Grounds |
| G.J. Dillon  | Discontinued |                   |
| W. Huxley  | Discontinued |                   |

| <b>FINANCIAL INQUIRIES [Section 13(1)(ba)]</b>          |              |  |
|---|--------------|--|
| <b>PARTNERSHIPS</b>                                     |              |  |
| Nicola & Agostino Eleuteri<br>T/as Galileo Construction | Discontinued |  |
| G. & G. Dillon T/as Dillon<br>Construction              | Discontinued |  |

## FINANCIAL INQUIRIES [Section 13(1)(ba)]

### COMPANIES

|  |  |                   |
|--|--|-------------------|
| Linton & Rose Builders Pty. Ltd. **    | Cancellation annulled - ongoing review of financial performance since 4/02 | Financial Grounds |
| WA Shed Commercial Pty. Ltd. **        | Cancellation annulled - ongoing review of financial performance since 8/01 | Financial Grounds |
| Nero Nominees Pty. Ltd. **             | Suspension annulled - ongoing review of financial performance since 6/01   | Financial Grounds |
| Dalcon Constructions Pty. Ltd.         | Adjourned  | Financial Grounds |
| Gybe Construction Pty. Ltd.            | Suspended  | Financial Grounds |
| Overall Construction Pty. Ltd.         | Discontinued   |                   |
| Rimini Nominees Pty. Ltd.              | Discontinued   |                   |
| Hortle Building Co. Pty. Ltd.          | Discontinued   |                   |
| Sandalwood Homes (WA) Pty Ltd          | Adjourned  |                   |
| G.M. Extension Pty. Ltd.               | Suspended  | Financial Grounds |
| Consolidated Construction Pty. Ltd. ** | Suspended  | Financial Grounds |
| Linea Construction Group Pty. Ltd.     | Suspended  | Financial Grounds |
| Boardwalk Asset Pty. Ltd. **           | Suspended  | Financial Grounds |
| K. Mountain Holdings Pty. Ltd. **      | Conditional annulment of cancellation varied                               | Check             |
| Renowned Group Pty. Ltd. **            | Cancelled  | Financial Grounds |
| Ninth Deltalux Pty. Ltd.               | Suspended  | Financial Grounds |

\*\* Subsequently annulled with conditions imposed

**APPENDIX F(i)****APPEALS**

An applicant for registration, or restoration of registration (annulment) may appeal an adverse decision of the Board to the District Court. Any person who is cancelled, suspended, fined or made ineligible in relation to a disciplinary proceeding under section 13 of the *Builders' Registration Act* may also appeal to the District Court. The following appeals against decisions of the Board in relation to registration issues (i.e. refusal to grant registration or refusal to annul cancellation/suspension) were lodged in the year ending 30 June 2004.

| <b>NAME</b>              | <b>DATE of APPEAL</b> |
|--------------------------|-----------------------|
| Barker, John             | 17/09/2003            |
| Wotherspoon, John        | 12/11/2003            |
| d'Alonzo, Domenico       | 1/04/2004             |
| Telstar Holdings Pty Ltd | 11/05/2004            |
| Kenny, Ken               | 11/05/2004            |

**APPENDIX F(ii)**

The following appeals against decisions of the Board in relation to disciplinary inquiries (i.e. action taken pursuant to section 13 of the *Builders' Registration Act*) were lodged in the year ending 30 June 2004.

| <b>NAME</b>                   | <b>DATE of APPEAL</b> |
|-------------------------------|-----------------------|
| Boccamazzo, Peter             | 22/07/2003            |
| Theunissen, John              | 26/08/2003            |
| Harden Jones, Giles           | 17/10/2003            |
| Floreat Constructions Pty Ltd | 21/11/2003            |



The following appeals were determined during the reporting period

| <b>NAME</b>                 | <b>DATE of APPEAL</b> | <b>RESULT</b> |
|-----------------------------|-----------------------|---------------|
| Green Constructions Pty Ltd | 1/05/2003             | Withdrawn     |
| Green, Brendan Anthony      | 1/05/2003             | Allowed       |
| Harbison, Anthony           | 21/05/2003            | Allowed       |
| Boccamazzo, Peter           | 22/07/2003            | Dismissed     |
| Telstar Holdings Pty Ltd    | 11/05/2004            | Discontinued  |
| Kenny, Ken                  | 11/05/2004            | Discontinued  |
| Harden Jones, Giles         | 17/10/2003            | Dismissed     |
| d'Alonzo, Domenico          | 1/04/2004             | Discontinued  |
| Barker, John                | 17/09/2003            | Discontinued  |

## DISCIPLINARY INQUIRIES

The following builders were dealt with by way of disciplinary inquiry under section 13 of the *Builders' Registration Act*. Those marked in bold are under appeal.

| LAST NAME                     | SECTION                           | DATE of INQUIRY | RESULT  | FINE    | COSTS   |
|-------------------------------|-----------------------------------|-----------------|---|---------|---------|
| Turner J                      | Convicted of an offence           | 1/07/2003       | Suspended (suspension immediately annulled for the purpose of employment) | \$0.00  | \$0.00  |
| Smargiassi N                  | Misleading conduct                | 4/07/2003       | Cancelled (cancellation immediately annulled on conditions)               | \$3,000 | \$1,639 |
| Melmint Pty Ltd               | Negligence                        | 8/07/2003       | Fined   | \$500   | \$0.00  |
| Bradford W                    | Fraudulent conduct and negligence | 8/07/2003       | Suspended   | \$0.00  | \$0.00  |
| Clementson J                  | Fraudulent conduct                | 30/07/2003      | Cancelled   | \$0.00  | \$650   |
| Theunissen J                  | Fraudulent conduct                | 30/07/2003      | Cancelled   | \$0.00  | \$1,621 |
| Baggetta C                    | Misleading conduct                | 3/09/2003       | Fined   | \$1,250 | \$758   |
| Rokbuild Pty Ltd              | Negligence                        | 3/09/2003       | Fined   | \$1,000 | \$918   |
| Karabatich D                  | Misleading conduct                | 3/09/2003       | Fined   | \$3,000 | \$571   |
| APV Constructions Pty Ltd     | Negligence                        | 24/10/2003      | Fined   | \$4,500 | \$2,880 |
| Floreat Constructions Pty Ltd | Negligence                        | 24/10/2003      | Fined   | \$1,000 | \$1,600 |
| Ventouras A                   | 13(1a)                            | 24/10/2003      | Fined   | \$2,000 | \$0.00  |
| Law M                         | 13(1)(ca)<br>13(1)(c)             | 31/10/2003      | Cancelled (immediately annulled)  | \$1,000 | \$660   |
| Bannor Pty Ltd                | Misleading conduct                | 14/11/2003      | Fined   | \$1,500 | \$833   |
| Kevin Lloyd-Woods Pty Ltd     | Misleading conduct                | 8/12/2003       | Fined   | \$2,000 | \$794   |

Continued

|                              |                       |            |   |          |         |
|------------------------------|-----------------------|------------|---|----------|---------|
| Stormpower Pty Ltd           | Misleading conduct    | 8/03/2004  | Fined   | \$1,000  | \$615   |
| Matson G                     | Misleading conduct    | 8/03/2004  | Fined   | \$3,000  | \$465   |
| Anson Nominees Pty Ltd       | Misleading conduct    | 8/03/2004  | Fined   | \$250    | \$295   |
| Margaria F                   | Misleading conduct    | 8/03/2004  | Fined   | \$1,000  | \$550   |
| Elliot D                     | Negligence            | 8/03/2004  | No action   | \$0.00   | \$0.00  |
| Danmar Homes Pty Ltd         | Negligence            | 15/03/2004 | Fined   | \$7,000  | \$1,312 |
| Zemke S                      | Misleading conduct    | 15/03/2004 | Fined   | \$500    | \$964   |
| Manglaviti D                 | 13(1ba)               | 16/03/2004 | No action   | \$0.00   | \$0.00  |
| Strano D                     | 13(1ba)               | 16/03/2004 | No action   | \$0.00   | \$0.00  |
| Dovista Construction Pty Ltd | Negligence            | 16/03/2004 | Fined   | \$2,500  | \$555   |
| Reid I                       | 13(1)(d)<br>13(1)(da) | 16/03/2004 | Adjourned until completion of appropriate course of study   | \$0.00   | \$0.00  |
| LRC Pty Ltd                  | Negligence            | 1/04/2004  | Fined   | \$1,500  | \$918   |
| Viola A                      | Misleading conduct    | 1/04/2004  | Cancelled (cancellation immediately annulled on conditions) | \$1,500  | \$1,104 |
| Ledger K                     | Misleading conduct    | 8/04/2004  | Fined   | \$3,000  | \$1,617 |
| Kemp P                       | Negligence            | 8/04/2004  | Fined   | \$500    | \$885   |
| Holiner E                    | Misleading conduct    | 21/04/2004 | Fined   | \$500    | \$1,085 |
| Lockhart L                   | Fraudulent conduct    | 21/04/2004 | Cancelled   | \$10,000 | \$2,212 |
| Biagioni A                   | Misleading conduct    | 24/05/2004 | Cancelled (cancellation immediately annulled on conditions) | \$6,000  | \$2,267 |
| Bossie M                     | Misleading conduct    | 24/05/2004 | No action   | \$0.00   | \$0.00  |
| Wainwright L                 | Negligence            | 25/05/2004 | Cancelled   | \$3,000  | \$1,471 |
| Ninth Deltalux Pty Ltd       | Fraudulent conduct    | 23/06/2004 | Cancelled   | \$0.00   | \$0.00  |
| Eskett R                     | Misleading conduct    | 23/06/2004 | Suspended (suspension immediately annulled on conditions)   | \$10,000 | \$1,320 |

### NOMINATED SUPERVISORS

Where the registration of a company or partnership is cancelled or suspended by the Board after the holding of an inquiry, the Board may without further inquiry, cancel or suspend the registration of the company or partnership's nominated supervisor or make a monetary order (fine or costs) against that person [section 13(1ba)].

| NOMINATED SUPERVISORS |   |              |          |       |
|-----------------------|---|--------------|----------|-------|
| Name                  | Company                                 | Registration | Fine     | Costs |
| McGill C              | Ninth Deltalux Pty Ltd (In Liquidation) | Cancelled    | \$15,000 | \$759 |

### APPENDIX H (ii)

### DIRECTORS AND PARTNERS

If the Board makes an adverse finding against a company or partnership after an inquiry, it may impose a fine or costs upon a person who is a director of the company, or partner of the partnership [section 13A].

This action was taken against the following persons

| DIRECTORS and PARTNERSHIPS |                               |         |         |
|----------------------------|-------------------------------|---------|---------|
| Name                       | Company                       | Fine    | Costs   |
| Scaffidi, G                | Scaffidi Developments Pty Ltd | \$2,000 | \$00.00 |

## INELIGIBLE PERSONS

## APPENDIX I

If an adverse finding is made against a company or partnership after an inquiry is held under section 13 of the *Builders' Registration Act*, the Board may also declare a person who is a director in a company, or otherwise involved in the management of the entity to be an 'ineligible person' for a period not exceeding three years [section 13(1ba)].

The consequences of being declared an ineligible person under section 13 are as follows:

1. If the ineligible person is involved in the management of any partnership, company, or body corporate that is registered as a builder, or becomes involved, that builder may be cancelled or suspended under section 13(1)(g) of the Act.
2. If a person who is ineligible applies to the Board for registration as a builder, the Board is entitled to refuse to register the person [sections 9A, 10(2b)].
3. A partnership, company or body corporate applying to the Board for registration as a builder may be required by the Board to satisfy it that no person who is a partner, director, member of the board of management, or otherwise involved in the management of the applicant is an ineligible person, and may refuse to register the applicant if it is not satisfied [section 10(2c)].

This action was taken against one person during the reporting period

| PERSONS DECLARED INELIGIBLE 2003/04 |                              |                          |                         |
|-------------------------------------|------------------------------|--------------------------|-------------------------|
| Name                                | Address                      | Date Declared Ineligible | Period of Ineligibility |
| McGILL Colin A                      | 63 Lachlan Way<br>Bibra Lake | 23/06/04                 | 3 years from 23/06/04   |

### Advertising

The *Builders' Registration Act* requires that the schedule of Ineligible Persons be published twice each year. Suitable notices were included in the West Australian on Tuesday 30 March 2004 and Wednesday 30 June 2004.

| PERSONS DECLARED INELIGIBLE 2000/01 - 2002/03 |                               |                          |                         |
|---|-------------------------------|--------------------------|-------------------------|
| Name  | Address                       | Date Declared Ineligible | Period of Ineligibility |
| McGILL Colin A                                | 63 Lachlan Way<br>Bibra Lake  | 23/06/04                 | 3 years from 23/06/04   |
| BROWN Gavin                                   | 14 Storrs Place<br>Winthrop   | 18/10/01                 | 3 years from 18/10/01   |
| FERTCH Gary                                   | 52 Akebia Way<br>FORRESTFIELD | 28/06/02                 | 3 years from 28/06/02   |
| HARDEN-JONES<br>Giles                         | 3 Ord Street<br>NEDLANDS      | 04/04/03                 | 3 years from 04/04/03   |
| GIAIMO<br>Fernando                            | 89 Sexton Road<br>BALLAJURA   | 04/06/03                 | 3 years from 04/06/03   |

**PROSECUTIONS**

The Board initiated the following prosecutions for offences under the *Home Building Contracts Act* (HBCA) and the *Builders' Registration Act* (BRA) during 2003/04

| NAME                | ACT  | SECTION      | FINE    | COSTS    |
|---------------------|------|--------------|---------|----------|
| Madaffari S         | HBCA | 25F(a)       | \$500   | \$410    |
| Ausino West Pty Ltd | BRA  | 4(1)(A)(aa)  | \$2,000 | \$366    |
| Morley J            | HBCA | 4(4)         | \$1,000 | \$183    |
| Morley J            | HBCA | 4(4)         | \$1,000 | \$183    |
| Morley J            | HBCA | 10(1)(a)(i)  | \$5,000 | \$183    |
| Penny C             | BRA  | 4(1)(A)(b)   | \$600   | \$193.27 |
| Penny C             | HBCA | 4(4)         | \$200   | \$193.27 |
| Penny C             | HBCA | 4(4)         | \$200   | \$193.27 |
| Trager B            | HBCA | 7(3)         | \$50    | \$204    |
| Trager B            | HBCA | 10(1)(a)(i)  | \$700   | \$204    |
| To'omata P          | HBCA | 10(1)(a)(i)  | \$500   | \$143.60 |
| To'omata P          | HBCA | 4(4)         | \$250   | \$143.60 |
| To'omata P          | HBCA | 4(4)         | \$250   | \$143.60 |
| May I               | HBCA | 25F(1)(a)(i) | \$500   | \$321.10 |
| Reidy J             | HBCA | 4(4)         | \$100   | \$128.60 |

Continued

|                      |      |             |         |          |
|----------------------|------|-------------|---------|----------|
| Reidy J              | HBCA | 10(1)(a)(i) | \$200   | \$128.60 |
| Reidy J              | HBCA | 7(3)        | \$100   | \$128.60 |
| Brewer K             | BRA  | 4A(3)       | \$500   | \$225.60 |
| Brewer V             | BRA  | 4A(3)       | \$100   | \$225.60 |
| Scade R              | BRA  | 4(1)(A)(b)  | \$1,500 | \$598    |
| Baker O              | HBCA | 4(4)        | \$200   | \$135    |
| Baker O              | HBCA | 4(4)        | \$200   | \$135    |
| Baker O              | HBCA | 10(1)(a)(i) | \$1,000 | \$135    |
| Baker O              | HBCA | 7(3)        | \$100   | \$135    |
| ACN096017293 Pty Ltd | BRA  | 4(1)(A)(b)  | \$1500  | \$74.30  |
| ACN096017293 Pty Ltd | BRA  | 4(1)(A)(b)  | \$1500  | \$74.30  |
| ACN096017293 Pty Ltd | HBCA | 4(4)        | \$1500  | \$74.30  |
| ACN096017293 Pty Ltd | HBCA | 4(4)        | \$1500  | \$74.30  |
| Galonski P           | BRA  | 4(1)(A)(b)  | \$500   | \$264.60 |
| Gemi Pty Ltd         | BRA  | 4(1)(A)(b)  | \$500   | \$264.60 |
| Quartermaine B       | BRA  | 4(1)(B)     | \$400   | \$159.10 |
| Quartermaine B       | BRA  | 4(1)(B)     | \$400   | \$159.10 |
| Quartermaine B       | BRA  | 4(1)(A)(b)  | \$400   | \$159.10 |

Continued

|                |      |             |       |          |
|----------------|------|-------------|-------|----------|
| Quartermaine B | HBCA | 4(4)        | \$200 | \$159.10 |
| Quartermaine B | HBCA | 25C(1)(a)   | \$400 | \$159.10 |
| Black G        | BRA  | 4(1)(A)(b)  | \$400 | \$90.80  |
| Black G        | HBCA | 4(4)        | \$200 | \$90.80  |
| Black G        | HBCA | 4(4)        | \$200 | \$90.80  |
| Black G        | HBCA | 10(1)(a)(i) | \$400 | \$90.80  |
| Black G        | HBCA | 25C(1)(a)   | \$400 | \$90.80  |
| Harrison D     | BRA  | 12(A)(4)    | \$400 | \$70     |
| Harrison D     | HBCA | 4(4)        | \$400 | \$70     |
| Harrison D     | HBCA | 4(4)        | \$400 | \$70     |
| Harrison D     | HBCA | 7(3)        | \$400 | \$70     |
| Harrison D     | HBCA | 10(1)(a)(i) | \$400 | \$70     |
| Shaw R         | HBCA | 10(1)(a)(i) | \$166 | \$134    |
| Shaw R         | HBCA | 4(4)        | \$166 | \$134    |
| Shaw R         | HBCA | 4(4)        | \$166 | \$134    |
| Howcon Pty Ltd | BRA  | 12A(4)      | \$125 | \$115    |
| Howcon Pty Ltd | HBCA | 4(4)        | \$125 | \$115    |
| Howcon Pty Ltd | HBCA | 10(1)(a)(i) | \$125 | \$115    |

Continued



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|                                 |      |      |       |          |
|---------------------------------|------|------|-------|----------|
| Howcon Pty Ltd                  | HBCA | 7(3) | \$125 | \$115    |
| Bernini Stone and Tiles Pty Ltd | HBCA | 4(4) | \$200 | \$159.85 |
| Bernini Stone and Tiles Pty Ltd | HBCA | 4(4) | \$200 | \$159.85 |

Either party to a prosecution (either the defendant or the Board) has the right to apply for leave to appeal the decision of the Court of Petty Sessions to the Supreme Court. No such applications were made during the reporting period.

# CORPORATE PLAN

***Builders' Registration Board of W.A.***

***2003-2004***

## CORPORATE PLAN 2003-2004

### **INTRODUCTION**

This is the second annual Corporate Plan that the Board has prepared in accordance with Section 8B of the *Builders' Registration Act 1939* (as amended in 2001). As such this plan is a continuation of the first annual plan with the addition of a review of the Regulations associated with the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* and an investigation into the feasibility of a quality assurance program.

The Board intends to present a statement regarding the outcome of the Corporate Plan 2002-2003 in the forthcoming annual report for that year. However, reference to action taken so far to comply with the Corporate Plan 2002-2003 will be made where necessary in this Plan.

The Board remains confident that the action taken so far and the further development of the Corporate Plan will assure home owners and builders that the building industry is well regulated and that disputes can be dealt with in a satisfactory manner.

### **STATEMENT OF OBJECTIVES**

As a fundamental declaration of the Board's purpose, the Statement of Objectives remains as stated in the Corporate Plan 2002-2003:

1. To maintain the highest possible standards in the building industry.
2. To ensure those undertaking building in Western Australia comply with the provisions of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.
3. To resolve building disputes efficiently, cost effectively and according to law.
4. Progressively implement the provisions of the *State Records Act 2000*.

## **STATEMENT OF POLICIES AND STRATEGIES**

The Board has experienced a financial surplus so far in 2002-2003, which has been sufficient to repay in full the loans from the Painters' Registration Board (\$194,130) and the Adelaide Bank (\$397,682). The Board anticipates that it will have a carried forward position at 30 June 2003 sufficient to maintain annual budgets for the foreseeable future with small operating surpluses and capital deficits. This means that in terms of staffing, the Board's planned recruitment for the remainder of 2002-2003 and 2003-2004 will take it to a position fully commensurate with its existing financial resources.

This will enable the Board to continue to measure and carefully widen the application of its resources throughout the year ahead. Activities will continue to be developed in:

- Education and Training
- Surveillance and Enforcement
- Building Disputes Tribunal
- Records Management
- Legislation Review
- Quality Assurance Program

### **Education and Training**

The appointment of a Co-ordinator Education and Training has been made and that person will be planning programs for education in the building industry, associated stakeholder groups and programs for the training of staff. The education programs will recognise the importance of achieving high levels of awareness and knowledge in the industry about the Board's role, statutory requirements and the responsibilities of builders.

The Board has worked closely with the building industry associations in relation to training courses and in promoting building excellence.

The total estimated expenditure for education and training in 2003-2004 is \$124,900.

### ***Surveillance and Enforcement***

This is an established section in the Board's structure. Before the commencement of the first Corporate Plan, funding only allowed one officer to carry out this role statewide. Investigating staff numbers have and will continue to be significantly increased to ensure that only registered builders or approved owner-builders are operating in the Board's area of jurisdiction. It will also provide an enhanced ability to deal with registered builders in breach of statutory requirements either by inquiry or prosecution and will carry out technical and contractual audits of builders to assist them in complying with legislative requirements. To date the increased effort in this area has resulted in a significant increase in inquiries by the Board into the activities of registered builders with resultant disciplinary action.

The total additional estimated expenditure for this activity in 2003-2004 is \$126,600.

### ***Building Disputes Tribunal***

The appointment of a Disputes Manager has been made and that person will be planning measures to:

- Expedite hearings particularly where matters are potentially dangerous or where faults might be built over.
- Promote the option of mediation in suitable cases.
- Reorganise the administrative support for the Tribunal.
- Improve the administrative support for the Tribunal by upgrading the computerised complaint file management system.
- Arrange regular meetings for the Chairman and the Deputies of the Tribunal to identify and address issues in the decision-making process.
- Develop procedures for the timely delivery of decisions and reasons for decisions.

The total estimated expenditure for the Tribunal in 2003-2004 is \$1,229,175.

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## **Records Management**

The *State Records Act 2000* requires government agencies and statutory authorities to prepare a record-keeping plan by March 2004. Amongst other things, the plan will specify types of records for permanent retention, types of records for disposal after a set period of time, a disaster management plan, a mail management system, a file management system, staff training for record-keeping, guidelines for record-keeping and a records management manual.

The Board has appointed a Policy Officer, who has completed the necessary work at this stage to prepare the record-keeping plan in order to comply with the required submission date of March 2004. The plan will also assist with the future planning of the Board's activities, information management and its legislative development.

The total additional estimated expenditure for this activity in 2003-2004 is \$12,000.

## ***Legislation Review***

The Board has commenced a review of the Regulations associated with the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*. The purpose of the review is to up-date the Regulations to be in line with the current Acts before proceeding to review further the Acts.

## ***Quality Assurance Program***

The Board will investigate the feasibility of implementing a suitable quality assurance program for all of its activities and procedures.

The Policy Officer has already commenced a review of the Board's existing procedures.

As a result of these investigations it is proposed that consideration could be given to implementing a suitable quality assurance program as part of the 2004-2005 Corporate Plan.

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## BUDGET & NOTES

Key features of the 2003-2004 Budget are:

- No increase in the prescribed amount for annual registration fees (fees to continue to be notified in December and to be due by 1 February (2004).
- No increase in the prescribed amount for building licence levies. Due to the forecast downturn in the building industry, income has been estimated at \$95,000 per month instead of the current \$100,000 per month.
- Salaries estimated on basis of rates as at 1 January 2003 from the General Agreement 2002 (Government Officers Salaries, Allowances and Conditions Award). The rates are subject to negotiation with a possible increase at 1 January 2004. A 4% increase is estimated, which will have a half year effect of 2%.
- The inclusion of 2 additional members of staff in 2003-2004 in accordance with the Corporate Plan and the continuation of two Investigating Officers appointed initially for twelve months:

One of two Education Officers (one to be deferred until 2004-2005)

One of three Investigating/Compliance Officers (two to be deferred until 2004-2005)

Continuing provision for the two Investigating Officers appointed initially for twelve months.

(Further background information is provided in relation to the completed or current appointment of additional staff in 2002-2003 in the Appendix to these notes).

- The inclusion of \$200,000 for Depreciation as a budgeted “non-cash” item in Corporate Services. This is to recognise the depreciation in the value of the Board’s “non-cash” assets.
- The continuation of a 95% recharge for “Inspecting and Reporting Service” from Technical Services to Building Disputes Tribunal to reflect the cost of technical services support to the disputes resolution process.
- The result of the Proposed Budget will be a Net Operating Surplus of \$8,060 and a Net Deficit after Capital Expenditure of \$201,940 (including the non-cash expense of \$200,000 for depreciation).
- The Cash Management Report as at 28 February 2003 shows a balance at 30 June 2003 of \$1,391,786. This provides a carried forward position to support the proposed budget.

## Appendix

Further background information in relation to the completed or current appointment of additional staff during 2002-2003.

### Completed:

- One Policy Officer
- One Registrations Assistant
- Three Investigations Officers/Assistants
- Two Investigating Officers appointed initially for twelve months
- One Co-ordinator Education and Training
- One Disputes Manager
- One General Enquiries Officer

### Currently being recruited:

- One Surveillance and Enforcement Administrative Assistant