

BRB BUILDERS'
REGISTRATION
BOARD
OF WESTERN AUSTRALIA



Annual Report

2007/08

TABLE OF CONTENTS

STATEMENT OF COMPLIANCE	4
Chairman's Foreword.....	5
Executive Summary	6
OPERATIONAL STRUCTURE	7
Enabling Legislation FOI/2 & FOI/5	7
Functions.....	7
Area of Jurisdiction FOI/3	7
Responsible Minister.....	7
Other Key Legislation FOI/3	7
The Board FOI/6	8
<i>Board Members</i>	8
<i>Board Meetings 2007/08</i>	9
Executive Staff FOI/4	10
Organisational Structure FOI/4	10
<i>Staff Profile</i>	10
<i>Staff Development</i>	11
PERFORMANCE MANAGEMENT FRAMEWORK	11
Contribution to Government Objectives	11
Objectives of the Board FOI/2	12
Registration	12
Compliance	12
Dispute Resolution	13
Education and Awareness	13
KEY PRIORITIES	13
Report on Corporate Plan	13
Registration	13
Compliance	15
Dispute Resolution	16
Education and Awareness	18
Changes to Key Priorities.....	21
Shared Responsibilities with Other Agencies	21
REPORT ON OPERATIONS FOI/5.....	22
Registration	22
<i>The Register of Builders</i>	22
<i>Applications for Registration</i>	22
<i>Applications for Termination of Suspension or Reinstatement of Cancelled Registration</i>	23

<i>Review of Board Decisions</i>	23
<i>Owner-Builders</i>	23
<i>Diploma of Builders' Registration</i> FOI/5.....	24
Compliance	25
<i>Investigations</i>	26
<i>Board Referrals to the State Administrative Tribunal</i> FOI/5.....	27
<i>Prosecutions</i>	28
<i>Building Inspections</i>	30
Dispute Resolution FOI/3 & FOI/5	31
<i>Building Disputes Tribunal Members</i>	32
<i>Complaints Lodged with the Building Disputes Tribunal</i>	32
<i>Orders Made by the Building Disputes Tribunal</i>	33
<i>Value of Orders to Pay Made by the Building Disputes Tribunal</i>	34
<i>Reasons for Decision</i> FOI/7A	34
<i>Sittings</i> FOI/5	34
<i>Ratio of Complaints to Building Licences Approved</i>	34
<i>Funding of the Building Disputes Tribunal</i>	34
<i>Income and Expenditure</i>	35
Education and Awareness	35
<i>Websites</i>	35
<i>General Enquiries</i>	37
<i>Information Seminars</i>	37
<i>Public Relations</i>	38
<i>Exhibitions</i>	38
<i>Publications</i> FOI/7a.....	38
<i>Marketing</i>	39
<i>Sponsorships and Awards</i>	39
SIGNIFICANT ISSUES AND TRENDS	39
Current and Emerging Issues and Trends	39
<i>Building Activity</i>	39
<i>Registration</i>	40
<i>Owner-Builder Activity</i>	40
<i>Dispute Resolution</i>	40
<i>Education and Awareness</i>	41
Changes in Written Law	42
<i>Amendment to the Builders' Registration Act 1939</i>	42
<i>Amendments to the Home Building Contracts Act 1991</i>	42
Likely Developments and Forecast of Operations	42
<i>Proposals for Improving Operations</i>	42
DISCLOSURES AND LEGAL COMPLIANCE	43
Ombudsman Complaints.....	43
Ministerial Directives	43
Advertising	43
Disability Access and Inclusion Plan.....	43
Public Sector Standards and Ethical Codes	44

Recordkeeping Plan.....	44
Corruption Prevention	45
Substantive Equality.....	45
Sustainability	45
Occupational Safety & Health	45
Freedom of Information FOI/1	46
<i>Applications</i>	46
<i>Charges FOI/7a</i>	46
<i>Deposits</i>	46
<i>Access Arrangements FOI/8</i>	47
<i>Viewing Documents</i>	47
<i>Notice of Decision FOI/7a</i>	47
<i>Refusal of Access</i>	47
<i>Client Information FOI/7a</i>	47
FINANCIAL REPORTS	49
Financial Statements.....	49
Board Statement on its Finances.....	49
Statement by Registrar for the period 1 July 2007 to 30 June 2008	50
APPENDICES	62
Appendix A: Organisational Chart as at 30 June 2008	62
Appendix B: Information Statement	63

STATEMENT OF COMPLIANCE

In accordance with section 23B of the *Builders' Registration Act 1939* I hereby submit for your information and tabling in Parliament, the Annual Report of the Builders' Registration Board of Western Australia for the financial year ended 30 June 2008.

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



Mark Cuomo
CHAIRMAN
Builders' Registration Board of Western Australia

Dated this 28th day of September 2008

Chairman's Foreword

It gives me great pleasure to present the Builders' Registration Board 2007/2008 Annual Report.

The Builders' Registration Board is responsible for the maintenance of appropriate levels of entry skills for builder's registration, ensuring industry compliance with legislative requirements and providing an efficient dispute resolution service to the community.

During the reporting year the Board provided a high standard of service to the community by the continuous review of policies and procedures in key operational areas.

The achievements of the Board would not have been possible without the commitment of a dedicated team and I take this opportunity to acknowledge the contribution of Board member Darryll Retallack, who retired during the reporting period after 15 years of valuable service.

In the future, the Board looks to participating in the establishment of a Building Commission for Western Australia and the implementation of new legislation. In the meantime, the Board will continue to efficiently manage its resources and meet its obligations to provide a valuable service to the community.



Mark Cuomo
CHAIRMAN

Executive Summary

In 2007/08 the Builders' Registration Board continued to achieve a high standard of service to the community by providing a regulatory and dispute resolution service integral to ensuring that the built environment in Western Australia is constructed to a high standard.

The Board and executive management, supported by a dedicated team of staff, maintained a strategic focus to ensure that key priorities were met or exceeded during the reporting year.

The Australian Bureau of Statistics reported that Western Australian local governments issued 22,592 building approvals for houses and other dwellings in 2007/08, valued at a total of \$11.19 billion. The Board monitors the level of building activity in order to develop long term strategies for greater efficiency and more customised services in the areas of builder registration, dispute resolution, industry compliance and education.

The Board's achievements in 2007/08 included maintaining a register of 5,916 builders, processing 419 applications for registration and 3,124 owner-builder applications, conducting 384 investigations and carrying out 703 building inspections.

The Board also conducted 24 prosecutions for offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, and referred 12 builders to the State Administrative Tribunal for disciplinary action.

The Building Disputes Tribunal (the Tribunal) received 818 complaints that resulted in 425 orders to remedy, and 209 orders to pay valued at \$1,329,832.

The Board provided improved access to its services through the Board and Tribunal websites, a general enquiries telephone line and the distribution of publications.

On 2 July 2007 changes to the *Home Building Contracts Act 1991* took effect. This has enabled the Building Disputes Tribunal to determine contractual disputes valued between \$7,500 and \$500,000.

In July 2007 the Western Australian Government endorsed the consolidation of the regulation of building standards and practitioner registration into a Building Commission. The Department of Housing and Works is overseeing the legislation that will govern the Commission, building practitioners and certifiers for proposed implementation in 2008/09.

OPERATIONAL STRUCTURE

Enabling Legislation

FOI/2 & FOI/5

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

Functions

The Board's functions under section 8 of the *Builders' Registration Act 1939* are to:

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

In addition, the Board is required under section 34 of the *Builders' Registration Act 1939* to provide administrative support to the Building Disputes Tribunal. This includes meeting the expenditure necessary for the functioning of, and collecting any fees payable to, the Tribunal.

Area of Jurisdiction

FOI/3

The Board's area of jurisdiction is specified in Schedule 3 of the *Builders' Registration Act 1939*. It encompasses 123 of the 142 local governments in the State, but in some instances only major town sites.

Indian Ocean Territories

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

Responsible Minister

The responsible Minister is the Minister for Consumer Protection.

Other Key Legislation

FOI/3

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

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

- *Corruption and Crime Commission Act 2003*;
- *Criminal Code Act 1995*;

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

The Board

FOI/6

The members of the Board are appointed by the Governor of Western Australia under section 5A of the *Builders' Registration Act 1939*. The chairperson and six members are nominated by the Minister for Consumer Protection.

Board Members

 <p>Mr Mark Cuomo</p>	<p>Chairperson</p> <p><i>Appointed under s. 5A(2) of the Builders' Registration Act 1939</i></p> <p>Mr Cuomo was appointed in June 2006 as the Chairperson of the Board, the Building Disputes Tribunal and the Painters' Registration Board. He is a legal practitioner practising as a barrister and is also the Chairperson of the Real Estate and Business Agents Supervisory Board. <i>Deputy: Darryll Retallack.</i></p>
 <p>Mr Darryll Retallack</p>	<p>Master Builders Association Nominated Member</p> <p><i>Appointed under s. 5A(3)(b)(ii) of the Builders' Registration Act 1939</i></p> <p>Mr Retallack, a registered builder and the Managing Director of Profile Homes (WA) Pty Ltd, was appointed in December 1991. Mr Retallack retired from the Board in December 2007. <i>Deputy: Bill Marcolina</i></p>

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

Board Meetings 2007/08

Regulation 4 of the *Builders' Registration Regulations* requires the Board to formally meet at least once a month. During the reporting period the Board met for 12 ordinary meetings; 11 registration meetings; and 7 special purpose meetings. Attendance by members is shown in the following table:

BOARD MEMBER	MONTHLY	REGISTRATION	SPECIAL PURPOSE	DEPUTY ATTENDED
Mark Cuomo (Chairperson)	12	11	1	
Darryll Retallack (Deputy Chairperson)	6	5	4	
Steven Peck	4	4	1	3
Fred Smith	11	10		
Patrick Pinder	12	11	7	
Neville Harrison	11	9	4	5
Genevieve Cleary	12	11	4	
Ronald Slobe	11	11		

Executive Staff

FOI/4

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

Organisational Structure

FOI/4

As at 30 June 2008, the Board had 62 established positions, of which five are temporary positions and six positions were vacant. The organisational chart is at Appendix A.

Staff Profile

BASIS OF EMPLOYMENT	2006/2007	2007/2008
Full-time permanent employees	43	45
Part-time measured on a FTE* basis	4.8	6.6
Employees on secondment	2	0

* full time equivalent

Staff Development

The Board is committed to the training and development of its employees. During the reporting year staff received 77 days of training in areas of information technology, occupational health and safety, management and communications. The Board met its training budget for the year at a total cost of \$18,770.

PERFORMANCE MANAGEMENT FRAMEWORK

Contribution to Government Objectives

The Builders' Registration Board acknowledges and supports the Western Australian Government's goals and strategic outcomes outlined in *Better Planning: Better Futures*. The Board provides a regulatory service to the community and manages the delivery of services by meeting the following Government objectives.

GOAL 1 - BETTER SERVICES

The Board contributes to the Government's goal of providing better services by ensuring the highest standards of building for the community and by providing an efficient, cost effective and impartial building dispute resolution service.

The Board achieves these goals by carrying out its statutory functions and ensuring builder compliance with the Building Code of Australia. The Board also carries out building information and educational activities and provides administrative support to the Building Disputes Tribunal.

GOAL 2 - JOBS AND ECONOMIC DEVELOPMENT

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

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

GOAL 3 - LIFESTYLE AND THE ENVIRONMENT

The Board ensures that the built environment of Western Australia is of a high standard so that the lifestyle of Western Australians is maintained and enhanced. The Board achieves this through effective regulation of the building industry and through its support of government initiatives, building laws and materials that promote sustainable building practices.

GOAL 4 - REGIONAL DEVELOPMENT

The Board contributes to regional communities by undertaking compliance and educational activities in regional areas that fall within its area of jurisdiction in Western Australia.

Regional communities are also provided with dispute resolution services where workmanship or contractual issues arise.

The Board's area of jurisdiction is not state-wide, and in most regional areas is limited to the town site only. This disadvantages many developing regional areas.

GOAL 5 - GOVERNANCE AND PUBLIC SECTOR IMPROVEMENT

The Board contributes to the goal of a public sector that is responsive to the evolving needs of the community by ensuring the highest possible standards of building through the maintenance of appropriate levels of entry skills for builders, industry compliance with legislative obligations and the provision of an efficient, cost effective and impartial building dispute resolution service to the community.

Objectives of the Board

FOI/2

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

These objectives are carried out within the framework of the following outputs.

Registration

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

Compliance

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

Dispute Resolution

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

Education and Awareness

- Promote awareness of the Board's role and legislative requirements.
- Produce publications, conduct seminars and undertake other awareness activities for consumers and industry participants.
- Maintain information on the Board and Building Disputes Tribunal websites.
- Provide a general enquiry telephone service.
- Sponsor industry and training awards.

KEY PRIORITIES

Report on Corporate Plan

The Board's 2007/08 Corporate Plan identified key priorities to be met during the reporting year.

Registration

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

A review of the Board's assessment was undertaken.

Priority 2 *Undertake a quarterly audit of the integrity of the register.*

Audits of the register of builders were undertaken on a quarterly basis.

Priority 3 *Develop and implement a Board policy that deals with voluntary removal from the Register.*

A policy dealing with the voluntary removal from the register of builders has been implemented.

Priority 4 *Develop a framework for management and supervision arrangements, including the reassessment of arrangements when there are changes.*

The development of guidelines for registered builders' management and supervision arrangements was commenced and will be ongoing in 2008/09.

Priority 5 *Develop a staff induction program for the Registrations section and provide staff training on registration requirements, the use of the Board's information system and customer service.*

An induction program was developed and will be packaged into a manual to improve the induction process and skilling of new staff in 2008/09.

Priority 6 *Recruit one additional Registration's Officer*

One additional Registrations Officer was recruited.

Priority 7 *Review the existing software report writing capabilities.*

The existing software report writing requirements were reviewed.

Priority 8 *All registration applications received are acknowledged within five working days of lodgement.*

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

Priority 9 *85% of complete registration applications are presented to the Board within five weeks of lodgement.*

80% of complete applications were presented to the Board within five weeks of lodgement.

Priority 10 *100% of applicants advised of outcomes of their application within five working days of a decision made by the Board.*

All applicants were advised of outcomes of their application within five working days of a decision made by the Board.

Priority 11 *100% of telephone messages are returned within one working day.*

All telephone messages were returned within one working day.

Compliance

Priority 1 *Formalise a priority system for allocating resources.*

A complaint priority allocation system was implemented whereby each matter awaiting investigation was allocated a priority using a point system.

Priority 2 *Implement a formal periodic challenge review of protracted investigations*

A challenge review of all active investigation files was implemented and conducted on a monthly basis.

Priority 3 *Develop criteria in which builders are selected for administrative audits and random site inspections.*

A Compliance Audit Policy was developed and implemented.

Priority 4 *Develop indicators to track the rate of complaints from various categories of work, to identify trends in the nature and cause of complaints made to the Building Disputes Tribunal.*

Indicators to track the rate of complaints from various categories of work were implemented. Trade work categories are recorded and trends can now be established by running an electronic report.

Priority 5 *Develop appropriate procedures to address non-compliance with orders made by the Building Disputes Tribunal.*

One Compliance Officer has been assigned to investigate non-compliance with orders to remedy by registered builders, and non-compliance with all orders to pay. Procedures have been developed to address non-compliance with Building Disputes Tribunal orders.

Priority 6 *Develop and implement a procedure manual for building inspectors.*

A procedure manual for building inspectors was implemented to ensure consistency in the activities and reporting of workmanship complaints.

Priority 7 *Provide training on the Building Inspectors Code of Conduct, dealing with conflicts of interest, and in negotiation and conflict resolution.*

The provision of training on the Building Inspectors Code of Conduct prompted a revision of the Code. Once this revision has been completed, in-house training on the Code will be conducted, and the need for training will be assessed.

Priority 8 *Examine options to recruit and retain experienced compliance staff.*

Equal Consulting was commissioned by the Board to review the attrition and retention rates in the Compliance section and prepare a report. The review has been completed and the recommendations arising from the review will be considered in 2008/09.

Priority 9 *100% of compliance complaints received are acknowledged within five working days of lodgement.*

All written complaints received were acknowledged in writing within five working days of receipt.

Priority 10 *Undertake 200 random building inspections.*

At 30 June 2008, 113 random work-in-progress building inspections had been undertaken. The target was not met due to the demand for inspections in response to complaints lodged with the Building Disputes Tribunal.

Priority 11 *All Compliance Officers to complete the Certificate IV in Investigations.*

All Compliance officers completed the Certificate IV in Investigations or equivalent.

Dispute Resolution

Priority 1 *Ensure complaints are dealt with efficiently and in a timely manner.*

Complaints continue to be dealt with efficiently and in a timely manner. Key target dates are monitored and the Board is provided with a monthly report detailing target achievements.

Priority 2 *Rearrange Building Disputes Tribunal sitting patterns to provide consistent panels and to allocate hearings more efficiently to cope with the current and future workload.*

A reallocation of sitting patterns has enabled a more effective use of hearing time and resources.

Priority 3 *Establish criteria as to when it is appropriate for the Registrar to deploy a Board inspector, and when a Building Disputes Tribunal complainant should be asked to provide their own inspection report, including a priority system for allocating such resources.*

Criteria for the Registrar to deploy a Board Inspector and a priority system for allocating an inspection have been established.

Priority 4 *Monitor compliance with orders made by the Building Disputes Tribunal and refer to the Board's Compliance section where appropriate.*

Orders to remedy were monitored and referred to the Board's Compliance section where appropriate, and upon request by the Building Disputes Tribunal.

All orders to pay that were not complied with were referred to the Board's Compliance section as a matter of priority.

Priority 5 *Review the current records management system.*

A review of the records system was undertaken and a manual outlining the procedures applied within the organisation for the management of records was subsequently developed and approved by the State Records Office.

Priority 6 *Review existing hearing room accommodation and audio technology.*

Existing hearing room accommodation and audio technology was reviewed and found to be inadequate. Accommodation and audio technology will be addressed when the Board and Building Disputes Tribunal move to new premises in 2008/09 as part of the proposed Building Commission.

Priority 7 *90% of cases listed within 90 days of being ready for a hearing.*

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

Priority 8 *100% of complaints acknowledged within five working days.*

All complaints were acknowledged within five working days.

Priority 9 *100% of requests for reasons for decision referred to the Building Disputes Tribunal within two working days of receiving the request.*

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

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

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

Priority 11 *90% of building inspection reports are provided to the parties within 10 working days of the inspection being undertaken.*

80% of building inspection reports were provided to the parties within 10 working days of the inspection being undertaken. The target of 90% was not achieved due to the increasing number of items lodged per complaint and the increased complexity in the matters that came before the Building Disputes Tribunal in 2007/08.

Priority 12 *All Building Inspectors to receive customised training in negotiation and conflict resolution.*

All building inspectors received customised training in negotiation and conflict resolution.

Education and Awareness

Priority 1 *Continue to increase community awareness of the role and functions of the Board and the Building Disputes Tribunal.*

The Board participated in several consumer and industry exhibitions, carried out advertising in metropolitan and regional areas, issued press releases and provided articles for other publications. The Board also promoted both the Board and Building Disputes Tribunal websites as a main source of information.

Priority 2 *Hold regional Board meetings.*

Meetings were held in Geraldton and in Karratha during 2007/08.

Priority 3 *Develop a profile of common non-compliance issues that can be used to educate industry.*

Common non-compliance issues were identified by assessing outcomes of investigations undertaken, and trends of categories of workmanship complaints lodged. Prevalent issues identified were raised via articles in the Board's newsletter, articles for external publications and press advertisements.

Priority 4 *Investigate the costs and merits of undertaking an advertising campaign that includes media releases and radio for industry and consumers.*

The costs and merits of undertaking an advertising campaign that includes media releases and radio for industry and consumers were investigated.

The Board subsequently approved expenditure of \$33,000 in 2008/09 for an owner-builder advertising campaign using press to increase awareness of the responsibilities and risks associated with taking out a building licence as an owner-builder.

Priority 5 *Continue to conduct information seminars in metropolitan and regional areas for industry to increase awareness of the Board and regulatory requirements.*

Information forums were held in Geraldton and Karratha, where registered builders, trades, industry associations, local government and the media attended.

Priority 6 *Continue to participate in metropolitan and regional exhibitions.*

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

Priority 7 *Ensure that the Board and Building Disputes Tribunal websites and online services are up-to-date and relevant.*

The Board and Building Disputes Tribunal's websites and online services were kept up-to-date and relevant. One 0.5 FTE was recruited to maintain the Board and Building Disputes Tribunal website content and further develop e-commerce technology.

Priority 8 *Keep all publications and education material up to date to reflect amendments to the Builders' Registration Act 1939 and the Home Building Contracts Act 1991.*

Amendments to the *Builders' Registration Regulations* and the *Home Building Contracts Regulations 1992* came into effect on 2 July 2007. All publications, forms and website content were updated to reflect the amendments.

Priority 9 *Review owner-builder application forms and publications.*

Owner-builder forms were reviewed and the information page updated to inform prospective owner-builders of the requirements and risks involved. A review of the owner-builder publication *Thinking of Building Your Own Home* has been completed and a new package is being developed for distribution in 2008/09.

Priority 10 *Improve the information provided to local authorities on the Board's role, the regulatory framework and their obligations under the Builders' Registration Act 1939 and Home Building Contracts Act 1991.*

A new version of the Local Government Handbook was released and provided to local government as a hard copy reference.

The local government extranet on the website was also updated to provide information in a more user-friendly format. The *Local Government Handbook*, the Board's Rulings Manual, a Building Returns template and a Levy Reconciliation template are now all available to download from the secure extranet, which is accessible only to local government.

Priority 11 *Develop an information pack for newly registered builders to be sent with the registration certificate. The pack will include information about the Board and the Building Disputes Tribunal, and on the requirements of the Builders' Registration Act 1939 and the Home Building Contracts Act 1991.*

The development of an information pack has commenced and will be completed in 2008/09.

Priority 12 *Increase visits to the Board and Building Disputes Tribunal websites.*

The Board and Building Disputes Tribunal websites are promoted on all advertising material, publications and stationery. The Board also promotes the websites in its newsletters, on its telephone hold messages and in articles written for publication by other organisations.

Between July 2007 and June 2008 the number of monthly visits to www.builders.wa.gov.au increased from 5,233 to 16,461.

Between January 2008* and June 2008 the number of monthly visits to www.buildingdisputes.wa.gov.au increased from 2,178 to 2,857.

**Website statistics prior to January 2008 are not available for the Tribunal Website.*

Priority 13 *Recruit 0.5 additional FTE to the Policy and Education section to promote and maintain the Board and Building Disputes Tribunal's websites.*

One 0.5 FTE was recruited to the Policy and Education section to promote and maintain the Board's and Building Disputes Tribunal's websites.

Priority 14 *Conduct a minimum of two information and education seminars for consumers.*

The Board sponsored eight seminars held by Homebase Expo targeted at educating prospective owner-builders about the regulatory obligations and the risks associated with being an owner-builder.

Priority 15 *Conduct a minimum of four information and education seminars for building industry participants. To be held at various locations and also targeted at associated trades/smaller builders.*

Two industry information forums were held in Geraldton and Karratha, attended by the Board, key staff, registered builders, trades, industry associations and local government.

The Board's compliance staff conducted 21 information seminars at local government offices throughout the metropolitan area, the South West, and the Goldfields region.

Two presentations were conducted for members of the Master Builders Association in Esperance and Kalgoorlie.

Priority 16 *Publish a newsletter quarterly.*

Published in September 2007, December 2007 and May 2008. Each newsletter was distributed to 6,500 recipients including builders, local government, industry and consumer associations, and government agencies. An e-newsletter and subscription database will be introduced in 2008/09.

Changes to Key Priorities

During 2007/08 the Board revised three of its key priorities.

A priority for the Registration section was to develop guidelines for the assessment of sufficient financial resources required to meet the obligations of a registered builder. This was not commenced due to limited staffing resources and is a key priority in the Board's 2008/09 Corporate Plan.

The development and implementation of a uniform reporting format for building licence returns submitted to the Board by local government was not commenced pending the establishment of a Building Commission. It is intended that this proposal be taken up as part of the Building Act development being progressed by the Department of Housing and Works, with reporting requirements/formats for building permits and other building approval/enforcement issues to be provided in that Act.

The existing software report writing capabilities of the Board and the Building Disputes Tribunal were reviewed. The Board is currently addressing some inadequacies of its existing report writing capability by developing new reports, and a comprehensive evaluation of the Board's software and information technology system will be undertaken in 2008/09 by the Building Commission Implementation Team.

Shared Responsibilities with Other Agencies

The Department of Consumer and Employment Protection shares the responsibility of providing education and awareness to consumers, and processes applications received from owner-builders seeking to sell or build again before the prescribed time limitations.

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

Prior to January 2005, section 13(2) of the *Builders' Registration Act 1939* provided for the Board to annul the cancellation or suspension of a registration. In January 2005, that power was transferred to the State Administrative Tribunal (SAT). However, towards the end of 2005 the SAT determined that it only had the power to annul the cancellation of a registration where it had made the decision to cancel or suspend the registration in the first instance. The Board subsequently shares this responsibility with the SAT where the decision to cancel or suspend the registration was made by the Board.

REPORT ON OPERATIONS

FOI/5

Registration

The Register of Builders

Section 8(1)(b) of the *Builders' Registration Act 1939* requires the Board to compile and keep a Register of Builders containing the names, addresses and qualifications of builders admitted to the Register. The Register is open for inspection by any person during the Board's ordinary hours of business at no charge. It is available for purchase in a printed format and is also available to search and download from the Board's website.

At 30 June 2008 there were 5,916 builders registered with the Board, comprising 4,198 individuals, 1,386 companies and 332 partnerships.

Applications for Registration

In 2007/08 the Board received 419 applications for registration. Of those, 283 were approved, 34 were refused, 4 were deferred by the Board, 75 are awaiting referral to the Board pending additional information, and 23 were withdrawn by the applicant.

In the 2007/2008 financial year, the Board received 98 applications for registration through mutual recognition, a 53 per cent increase from 64 applications in the previous period.

Applications were received under 12 categories as listed below:

CATEGORY OF REGISTRATION	APPLICATIONS RECEIVED		
	2005/06	2006/07	2007/08
Individuals:			
Examinations	66	67	60
Manager/Supervisor	72	76	58
Experience elsewhere than in Western Australia	26	26	18
Experience outside the area of the Act in Western Australia	0	2	3
Architect	9	4	4
Engineer	21	15	5
Australian Institute of Builders	10	14	7
Australian Institute of Mining and Metallurgy	0	0	1
Companies	127	145	148
Partnerships	18	14	16
Temporary Licence	18	15	1
Mutual Recognition	57	64	98
TOTAL	424	442	419

Applications for Termination of Suspension or Reinstatement of Cancelled Registration

In 2007/08, the Board received 18 applications to annul the suspension or reinstate the cancellation of a registration, of which 10 were annulled unconditionally, five were annulled with conditions imposed, two were deferred and one was refused.

Review of Board Decisions

In 2007/08 the State Administrative Tribunal received five applications to review decisions made by the Board to refuse registration or, to grant registration with conditions. The outcomes of these applications were as follows:

APPLICATIONS TO REVIEW BOARD DECISION	
Granted	1
Withdrawn by the applicant	2
Dismissed	1
Pending	1

Owner-Builders

Section 4(1)(A)(a) and 4(1)(A)(aa) of the *Builders' Registration Act 1939* (the Act) combine to make it lawful for a person who is not a registered builder under the Act to construct for themselves a dwelling house or a building comprising two dwellings on ground level (commonly referred to as a duplex). Such a person is known as an "owner-builder".

In 2007/08 the Board issued 3,124 owner-builder certificates relating to the construction of residential dwellings.

Section 4(1a) of the Act provides that the Board may approve a person who is not a registered builder to construct for himself an industrial building. This recognises that certain specialised types of industrial buildings may be competently erected by persons having skills confined to that particular type of construction, whilst not possessing the experience or qualifications necessary to be recognised as registered builders. In 2007/08 the Board received 12 applications to construct a specialised type of industrial building, of which seven were approved and five were declined.

The restrictions imposed on owner-builders by the *Builders' Registration Act 1939* are:

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

Subject to section 4A of the *Builders' Registration Act 1939*, the Minister for Consumer Protection or their delegate may, on receipt of a written application, give consent to vary either of these restrictions.

In 2007/08 there were 168 applications made by owner-builders, which included 22 applications to build again within the prescribed six-year period and 146 applications to sell. The following table provides details of how those applications were decided.

APPLICATIONS TO SELL	2007/08
Approved	114
Withdrawn	3
Refused	9
Pending	20
Total	146

APPLICATIONS TO BUILD	2007/08
Approved	15
Withdrawn	2
Refused	2
Pending	3
Total	22

Diploma of Builders' Registration

FOI/5

On 28 February 2008 the Board prescribed as its 'prescribed course of training' for registration purposes the Diploma of Builders' Registration Course 7706 and the Diploma of Building and Construction (Building) – Builders' Registration Pathway (BCG50206). Applicants are required to complete and pass all modules of either one of the two courses listed below.

COURSE 2008 BUILDERS' REGISTRATION PATHWAY BCG50206	
UNIT CODE	UNIT TITLE
BCGBC5001A	Apply building codes and standards to the construction process for medium rise building projects
BCGBC5002A	Monitor building or construction costing systems on medium rise building and construction projects.
BCGBC5003A	Supervise the planning of on-site medium rise building or construction
BCGBC5005A	Select and manage building and construction contractors
BCGBC5007A	Administer the legal obligations of a building or construction contract
BCGBC5008A	Apply structural principles to the construction of medium rise buildings
BCGBC5010A	Manage construction project/work
BSBMP505A	Manage project quality
BSBMP508A	Manage project risk
BSBOHS504A	Apply principles of Occupation Health and Safety risk management
BCGBC6001A	Apply building codes and standards to the construction process for large building projects
ICAITU130A	Operate a spreadsheet application
BCGBC4004A	Identify and produce estimated costs for building and construction process
BCGBC4006A	Select, procure and store construction materials for low rise projects
BCGBC4013A	Prepare and evaluate tender documentation
BCGBC4014A	Prepare simple building sketches and drawings
BCGBC4018A	Apply site surveys and set out procedures to building and construction projects

COURSE 1995 DIPLOMA OF BUILDERS' REGISTRATION COURSE 7706	
UNIT TITLE	UNIT TITLE
Construction 1A	Building Site Supervision
Construction 1B	Residential Site Safety
Materials	Construction Planning 1
Construction 2A	Construction Planning 2
Construction 2B	Business Management for Building 1A
Building Contract Law 1	Business Management for Building 1B
Building Contract Law 2	Building Technology 1
Building Quantities & Estimating 1A	Timber Framing Code
Building Quantities & Estimating 1B	Building Site Survey and Set Out 1
Building Quantities & Estimating 2A	Structures 1
Building Quantities & Estimating 2B	Building Computer Applications 1
Builders' Working Drawings 1A	Cost Control & Planning 1
Builders' Working Drawings 1B	Acts, Regulations & Responsibilities

Compliance

The Board performs its compliance role by undertaking compliance audits, building inspections, investigations into builders and, in cases warranting the suspension or cancellation of a builder's registration, referring matters to the State Administrative Tribunal for disciplinary action. The Registrar may also initiate prosecution proceedings through the courts.

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

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

Compliance audits are undertaken to help maintain community confidence in the building industry and to reduce the number and cost of complaints for builders and owners. The audits aim to identify areas of a builder's non compliance with the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* and provide information and education to assist them to comply. Of the nine builders audited in 2007/08 all had minor breaches identified, none of which resulted in further investigation.

In 2007/08 the Board conducted an industry surveillance campaign in the metropolitan area and focused on signage compliance with the *Builders' Registration Act 1939*. This resulted in 563 building sites being visited of which 91% complied with the requirement for signage. Infringement notices were issued to 36 builders for non compliance.

Investigations

In 2007/08 the Board completed 384 investigations into offences against the *Builders' Registration Act 1939* and *Home Building Contracts Act 1991*.

INVESTIGATIONS COMPLETED		
NO OF INVESTIGATIONS	ACT* AND SECTION	NATURE +
1		No breach identified
85	BRA section 4	Unregistered building
5	BRA section 4A(2)	Undervalue of building work to local government
1	BRA section 9AA	Failure to notify Board of change of address
3	BRA section 10 (3ab)	Failure to notify Board of cessation of nominated supervisor
3	BRA section 10(4)	Incorrect or no builders sign on building site
51	BRA section 12A(4)	Failure to comply with a Building Disputes Tribunal order to remedy/pay
3	BRA section 13(1)(a)	Registration obtained by fraud or misrepresentation
3	BRA section 13(1)(b)	Convicted of indictable offence following registration
8	BRA section 13(1)(ba)	Insufficient material and financial resources
38	BRA section 13(1)(c)	Negligence and incompetence and/or convicted of BRA offence
9	BRA section 13(1)(ca)	Failure to manage and supervise as required
25	BRA section 13(1)(d)	Fraudulent conduct
27	BRA section 13(1)(da)	Harsh/unconscionable or misleading conduct
1	BRA section 13(1)(ea)	Failure to comply with condition attached to registration
3	BRA section 16	Disobedience of Board order or breach of regulations
36	HBCA section 4	Contracts and statutory notice
11	HBCA section 7(3)	Variation of contract
60	HBCA section 10	Deposits and progress payments
1	HBCA section 14	Cost plus contracts
6	HBCA section 25C	No home indemnity insurance supplied by builder
4	HBCA section 25F	No home indemnity insurance supplied by owner-builder

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

+ *primary allegation being investigated*

At 30 June 2007, there were 36 investigations in progress.

INVESTIGATIONS IN PROGRESS		
NO OF INVESTIGATIONS	ACT* AND SECTION	NATURE ⁺
7	BRA section 4	Prohibition against unregistered persons
5	BRA section 12A(4)	Failure to fulfil a Building Disputes Tribunal order to remedy/pay
1	HBCA section 12(1)	Understating provisional sums and prime costs
6	BRA section 13(1)(c)	Negligence and incompetence and/or convicted of BRA
3	BRA section 13(1)(d)	Fraudulent conduct
3	BRA section 13(1)(da)	Harsh/unconscionable or misleading conduct
1	HBCA section 4	Contracts and statutory notice
9	HBCA section 10	Deposits and progress payments
1	HBCA section 25C	No home indemnity insurance supplied by builder

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

⁺ primary allegation being investigated

In 2007/08 the Board commenced proceedings against 36 persons/entities as shown in the table below.

PROCEEDINGS COMMENCED	MATTERS IN PROGRESS AT 30/06/08	MATTERS DETERMINED AT 30/06/08	TOTAL
Prosecution	4	20	24
State Administrative Tribunal	11	1	12
TOTAL	15	21	36

Board Referrals to the State Administrative Tribunal

FOI/5

During 2007/08 14 matters were referred by the Board to the State Administrative Tribunal (SAT) for disciplinary action under section 12D of the *Builders' Registration Act 1939*. Of these eight resulted in a fine, four had their registrations cancelled and two had their registrations suspended. At 1 July 2008 there were three matters pending. Details are set out in the table below:

MATTERS DETERMINED BY THE STATE ADMINISTRATIVE TRIBUNAL	
MONTH LODGED	RESULT
August 2007	Fined \$23,000, registration cancelled, declared an ineligible person for 18 months from the date of the order
August 2007	Fined \$3,000, costs of \$341.50 awarded to the Board
August 2007	Registration suspended for 12 months, fined \$9,500, costs of \$500 awarded to the Board
September 2007	Registration cancelled
November 2007	Fined \$4,000, costs of \$270
December 2007	Registration cancelled
December 2007	Fined \$1000
February 2008	Registration cancelled
February 2008	Registration suspended and conditionally annulled, fined \$15,000, costs of \$2,500 awarded to the Board
February 2008	Fined \$23,500, costs of \$1,250 awarded to the Board
February 2008	Fined \$6,000, costs of \$1,250 awarded to the Board

Prosecutions

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

The prosecutions undertaken by the Board in the following table were determined in 2007/08, amounting to 55 prosecutions for 84 offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

PROSECUTIONS					
NAME	ACT*	SECTION+	NO OF CHARGES	FINES \$	COSTS \$
Adam Paluch	BR Act	4(1)(A)(b)	1	1,000.00	903.15
Andre Wright	HBC Act	10(1)(b)(i)	1	250.00	86.23
Andre Wright	HBC Act	4(4)	1	250.00	86.23
Andre Wright	BR Act	12A(4)	1	250.00	86.23
Coastline Sheds Pty Ltd	HBC Act	4(4)	1	600.00	52.30
Coastline Sheds Pty Ltd	HBC Act	10(1)(a)(i)	1	600.00	52.30
Coastline Sheds Pty Ltd	BR Act	4A(2)(a)	1	600.00	52.30
Coastline Sheds Pty Ltd	BR Act	4(1)(A)(b)	1	600.00	52.30
Dimi Delovski	HBC Act	25C(1)	1	1,000.00	112.33
Dimi Delovski	BR Act	4(1)(B)	1	1,000.00	112.33

PROSECUTIONS					
NAME	ACT*	SECTION+	NO OF CHARGES	FINES \$	COSTS \$
Dimi Delovski	BR Act	4(1)(A)(b)	1	1,000.00	112.33
Douglas John Polain	BR Act	4(1)(A)(aa)	1	6 month conditional release order of \$200	100.00
Fernlee Nominees Pty Ltd	BR Act	12A(4)	1	400.00	269.50
Finegold Investments Pty Ltd	BR Act	12A(4)	1	600.00	150.00
Howcon Pty Ltd	HBC Act	10(1)(a)(i)	2	1,666.67	736.00
Howcon Pty Ltd	BR Act	4A(2)(b)	1	833.33	368.00
J-Corp Pty Ltd	BR Act	10(4)	4	400.00	281.00
J-Corp Pty Ltd	BR Act	10(4)	4	800.00	258.70
John Marcel	BR Act	12A(4)	1	3,000.00	500.00
John Pillinger	BR Act	12A(4)	1	750.00	351.50
Knightlife Investments Pty Ltd	HBC Act	4(4)	1	200.00	69.74
Knightlife Investments Pty Ltd	BR Act	4(1)(A)(b)	2	1,000.00	139.48
Knightlife Investments Pty Ltd	HBC Act	25C(1)	1	1,000.00	69.74
Knightlife Investments Pty Ltd	HBC Act	10(1)(a)(i)	1	500.00	69.74
Lyle Stuart Leach	HBC Act	4(4)	2	400.00	129.36
Lyle Stuart Leach	HBC Act	10(1)(a)(i)	1	100.00	64.68
Lyle Stuart Leach	HBC Act	7(3)	1	500.00	64.68
Paul O'Dwyer	HBC Act	10(1)(a)(i)	1	210.00	61.24
Paul O'Dwyer	BR Act	12A(4)	2	420.00	122.48
Paul O'Dwyer	HBC Act	4(4)	2	420.00	122.48
Paul Manester	HBC Act	4(1)(A)(b)	1	377.78	65.89
Paul Manester	HBC Act	4(4)	2	755.56	131.78
Paul Manester	HBC Act	10(1)(a)(i)	4	1,511.12	263.56
Paul Manester	HBC Act	4(1)(B)	1	377.78	65.89
Paul Manester	HBC Act	25C(1)	1	377.78	65.89
Paluch Homes Pty Ltd	BR Act	4(1)(A)(b)	1	10,000.00	903.15
Plunkett Homes (1903) Pty Ltd	BR Act	10(4)	4	500.00	786.20
Philip Andrew Groenwold	HBC Act	4(4)	1	275.00	52.30
Philip Andrew Groenwold	HBC Act	10(1)(a)(i)	1	275.00	52.30
Philip Andrew Groenwold	BR Act	4A(2)(a)	1	275.00	52.30
Philip Andrew Groenwold	BR Act	4(1)(A)(b)	1	275.00	52.30
Poly Pools International Pty Ltd	BR Act	12A(4)	1	250.00	297.20

PROSECUTIONS					
NAME	ACT*	SECTION+	NO OF CHARGES	FINES \$	COSTS \$
Pro-Built Landscape Builders Pty Ltd	BR Act	12A(4)	1	1,000.00	258.70
Ronald Henry Goldsword	BR Act	12A(4)	1	500.00	258.70
TCB Nominees Pty Ltd	HBC Act	4(4)	1	270.00	51.74
TCB Nominees Pty Ltd	HBC Act	13(1)	1	270.00	51.74
TCB Nominees Pty Ltd	HBC Act	7(3)	3	810.00	155.22
Tiberiu Diaconu	HBC Act	25F(1)	1	250.00	258.70
Steve Preston	HBC Act	4(4)	6		
Steve Preston	BR Act	4(1)(A)(b)	2		
Steve Preston	HBC Act	10(1)(a)(i)	3		
Steve Preston	HBC Act	25C(1)	2		
Steve Preston	HBC Act	10(1)(b)(i)	1		
Steve Preston	HBC Act	7(3)	1		9,459.91
Victorian Colonial Homes	BR Act	12A(4)	1	4,000.00	691.20
TOTAL			84	\$42,700.02	\$19,611.02

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

+ *primary allegation being investigated*

Building Inspections

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

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

In 2007/08 the Board carried out 703 building inspections. Of these:

- 113 were random inspections of building work to assess compliance with the Building Code of Australia and Australian Standards;
- 572 were conducted to prepare assessments in relation to complaints lodged with the Building Disputes Tribunal; and
- 18 were conducted upon the builder's/owner's request under section 12B of the *Builders' Registration Act 1939*.

Of the 113 random inspections conducted, 41 reports were issued to builders requesting details of the remedial work that has been or will be undertaken. Failure by a builder to action the items identified may result in the issue of an order to remedy unsatisfactory building work in accordance with section 12A of the *Builders' Registration Act 1939*. There were no orders to remedy issued as a result of an inspection during the reporting year.

The nature of complaint items assessed by Board inspectors and comparisons with previous reporting periods is set out below:

COMPLAINT ITEM ASSESSED BY BOARD INSPECTORS	2006/07 (%)	2007/08 (%)
Brickwork	7.9	7.3
Ceiling	6.9	7.2
Ceiling and roof frame	5.8	6
Concrete paving	3.3	3.7
Doors and windows	6.8	7.6
Earth footings	1.4	1.5
Fixing and joinery	7.4	7.9
Flashings	5.3	5.5
House site cleaning	1.5	1.6
Painting	7.7	7.4
Plumbing	6.0	6.3
Roof cover	7.6	7.0
Slab floor	3.2	3.2
Solid plastering	8.6	7.8
Swimming pool	0.8	0.7
Termites	0.5	0.1
Timber floor	2.6	1.8
Wall and floor tiling	7.1	8.3
Wall frame	1.5	0.9
Water ingress and egress	8.1	8.2
TOTAL	100	100

Dispute Resolution

FOI/3 & FOI/5

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

The Building Disputes Tribunal has authority under section 3(1a) of the *Builders' Registration Act 1939* to issue orders to remedy faulty or unsatisfactory building work state wide.

The role of the Building Disputes Tribunal is to provide a straightforward, inexpensive forum for adjudicating building disputes about workmanship and contractual issues relating to lump sum home building contracts.

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

Building Disputes Tribunal Members

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

The Chairperson of the Building Disputes Tribunal, Mr Mark Cuomo, is also Chairperson of the Board and a legal practitioner. There are nine Deputy Chairpersons who are also legal practitioners, 12 consumer representatives, 10 nominees from the Housing Industry Association and 10 nominees from the Master Builders Association.

Complaints Lodged with the Building Disputes Tribunal

In 2007/08 there were 818 complaints lodged with the Building Disputes Tribunal under the categories set out below:

CATEGORY OF COMPLAINT	2006/07 NUMBER	2007/08 NUMBER	PERCENTAGE CHANGE
Workmanship	584	616	+5.5
Contractual	128	105	-18.0
Workmanship & Contractual	99	97	-2.0
TOTAL	811	818	+0.8

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

COMPLAINTS BY RESPONDENT CATEGORY	2006/07	2007/08	PERCENTAGE CHANGE
Registered Builders	590	573	+2.8
Unregistered Persons	177	216	+22.0
Owners	38	25	-34.0
Owner-Builders	6	4	-33.0
TOTAL	811	818	+0.8

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

TYPE OF BUILDING WORK	2006/07 NUMBER	2007/08 NUMBER	PERCENTAGE CHANGE
New Home	528	525	-0.6
Additions	32	54	+68.7
Commercial	4	4	0
Renovations/Trades	113	116	+2.6
Landscaping	3	12	+400.0
Patios & Pergolas	58	47	-19.0
Swimming Pools & Spas	22	21	-4.5
Other	51	39	-23.5
TOTAL	811	818	+0.8

Orders Made by the Building Disputes Tribunal

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

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

The Building Disputes Tribunal made 634 orders in 2007/08, comprising 425 orders to remedy and 209 orders to pay. Of these, 297 matters were determined under delegation. Details of all orders made are provided in the following table.

ORDERS MADE BY THE BUILDING DISPUTES TRIBUNAL	2006/07	2007/08	PERCENTAGE CHANGE
Orders to Remedy (Tribunal)	107	129	+20.5
Orders to Remedy (under delegation)	325	296	-8.9
Orders to Pay (Tribunal)	175	208	+18.8
Orders to Pay (under delegation)	2	1	-50.0
TOTAL	609*	634*	+4.1

*Not inclusive of dismissals or other orders

In addition to the orders listed above, the Building Disputes Tribunal made 515 other decisions, including dismissals, adjournments, directions and determinations on whether authority exists to hear particular cases.

Value of Orders to Pay Made by the Building Disputes Tribunal

The values of the orders made by the Building Disputes Tribunal in 2007/08 were as follows:

VALUE OF ORDERS TO PAY	2006/07 \$	2007/08 \$	PERCENTAGE CHANGE
Issued by Disputes Tribunal	1,934,955	1,329,292	-31.3
Issued under Delegation	1,807	540	-70.1
<i>Allocation</i>			
Owner to Pay Builder	284,842	319,024	+12
Builder to Pay Owner	1,651,920	1,010,808	-38.8

Reasons for Decision

FOI/7A

Pursuant to section 40 of the *Builders' Registration Act 1939* a party to a dispute may request the Building Disputes Tribunal to provide written reasons for decision within 14 days of the decision being made. In 2007/08 the Building Disputes Tribunal was requested to provide written reasons for decision in 55 matters.

Sittings

FOI/5

In 2007/08 the Building Disputes Tribunal sat on 335 days to hear 616 matters. These included 124 preliminary/direction/jurisdiction hearings and 210 part-heard hearings resulting from adjournments. Five cases were referred for mediation.

Ratio of Complaints to Building Licences Approved

In 2007/08 the proportion of complaints lodged with the Building Disputes Tribunal to the number of building licences issued by local governments decreased from the previous period. The figures in following table are based on the total number of building licence approvals, irrespective of value.

COMPLAINTS/BUILDING LICENCES APPROVED	2006/07	2007/08
Building Licences *	25,077	22,591
Complaints	811	818
Ratio	1:31	1:28

*Total dwelling units approved, including new and extensions/additions
(Source: Australian Bureau of Statistics 8731.0 June 08)

Funding of the Building Disputes Tribunal

As required under section 34 of the *Builders' Registration Act 1939*, the Board funds the Tribunal and provides staff and administrative support to assist it to carry out its functions. In 2007/08 the Board spent \$1,140,032 on the dispute resolution process. This does not include the cost of providing building inspections for parties to a dispute. The Board did not impose any restriction on the operations of the Tribunal during the reporting period.

Income and Expenditure

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

INCOME	\$
Supply of Transcription	17,609
Complaint Fees and Recoveries	22,989
Total	40,598
EXPENDITURE	\$
Disputes Tribunal Hearing Fees	707,936
Employee Costs	401,234
Tape Transcription	28,076
Office Support Costs	2,786
Total	1,140,032

Education and Awareness

Section 8(1)(fa) of the *Builders' Registration Act 1939* requires the Board to carry out building information and educational activities.

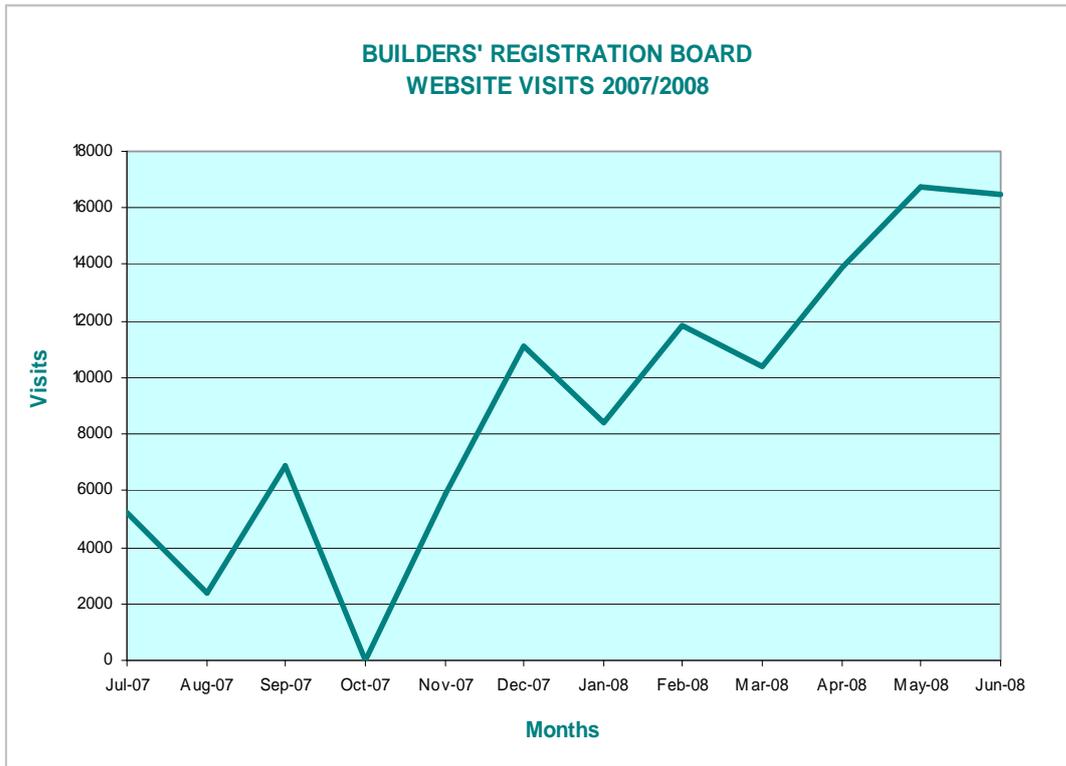
During 2007/08 the Board's objective to raise community and industry awareness of its services, and the requirements of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, was met by carrying out the following activities.

Websites

The Board and Building Disputes Tribunal websites were launched in December 2006 and provide users with up to date information on the services available to the community, including a search of the register of builders, reasons for decision, forms and publications, and an online payment facility.

During 2007/08 the websites were improved with the addition of new information on home indemnity insurance, mutual recognition, the proposed Building Commission and the Board's sponsorship of building awards. Improvements were also made to the Registration and Local Government extranet areas of the website. The Building Disputes Tribunal reasons for decision and hearing list were kept up-to-date, as was new and revised publications which were made available for download.

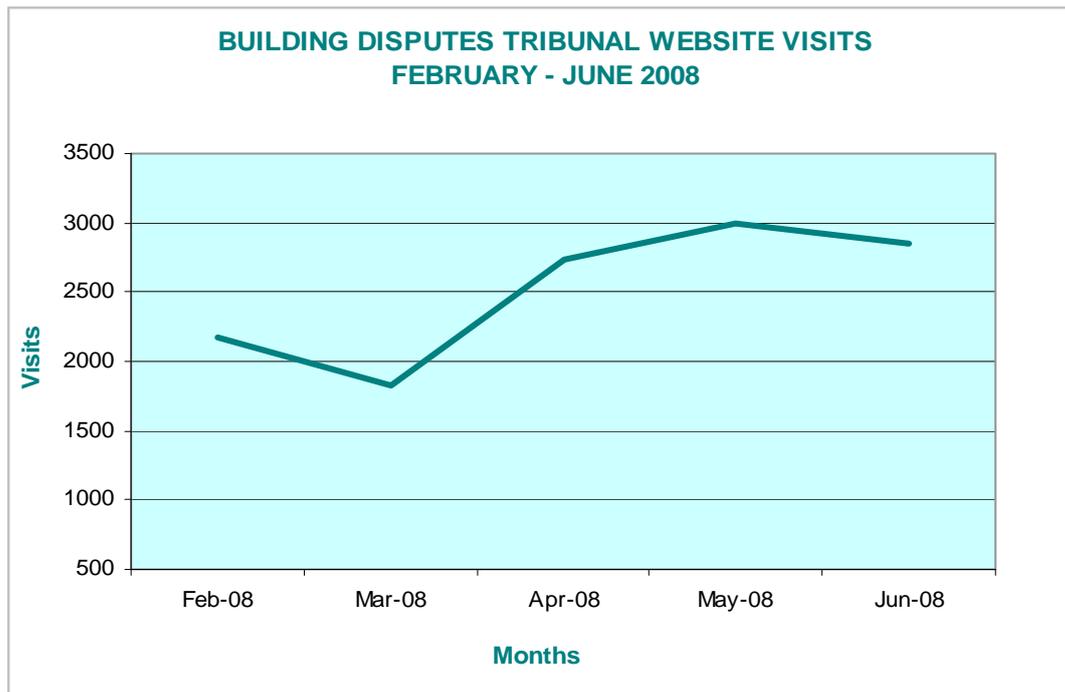
During 2007/08 the number of visits to the Board's website steadily increased, with a total of 109,237 visits as shown below.



*Please note that no data was available for October 2007.

The most popular download from the Board's website was the Register of Builders, which was accessed 10,865 times.

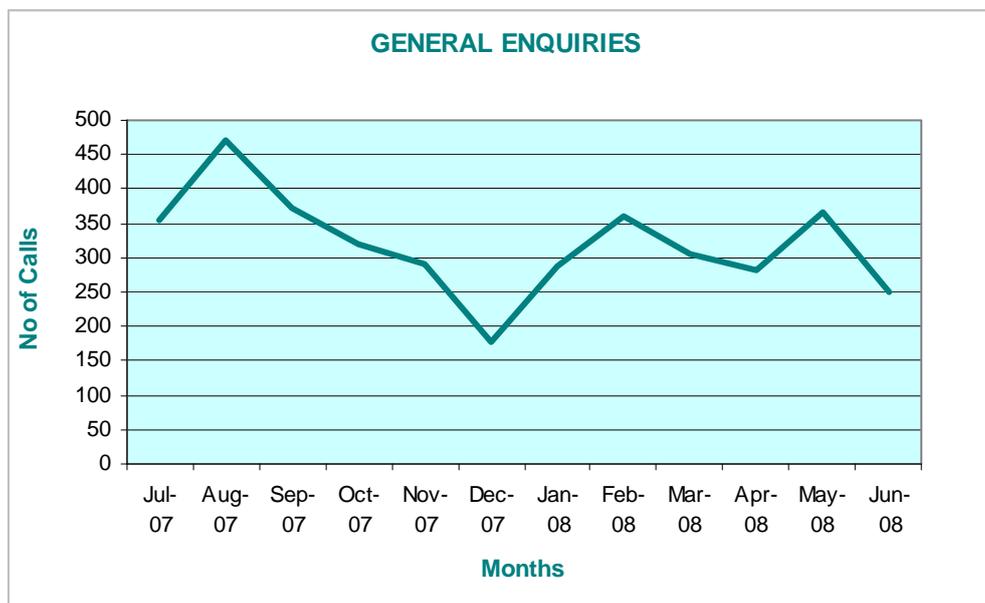
Statistics for the Building Disputes Tribunal website were not available prior to January 2008. The number of visits between February and June 2008 are shown below:



The most popular download request from the Building Disputes Tribunal's website was for previous reasons for decision. Between February and June 2008, a total of 4,825 reasons for decision were downloaded.

General Enquiries

In 2007/08 the Board's general enquiries service provided builders and consumers with telephone assistance relating to dispute resolution, receiving 3,836 calls. The Board also received additional enquiries regarding registration and compliance. The number of calls received each month is shown below.



Information Seminars

In 2007/08 the Board conducted seminars and presented information to the following stakeholders:

- Builders Licensing Australasia;
- Local government building surveyors;
- Karratha building industry;
- Geraldton building industry;
- Kalgoorlie building industry;
- Esperance building industry;
- Home Base Expo Owner-builders seminars; and
- Australian Institute of Building Surveyors.

Public Relations

In 2007/08 the Board took advantage of a number of opportunities to increase community awareness of its functions.

The Board placed advertisements in regional and metropolitan newspapers to inform consumers that building work valued over \$20,000 must be carried out by a registered builder, as well as information regarding the provisions of the *Home Building Contracts Act 1991*.

The Board contributed articles to the following publications:

- The Starting Point - The complete guide to building your home;
- Architect & Builder;
- Regional Lifestyle;
- South Western Times;
- The Cabinet Maker;
- Settlement Agents Supervisory Board newsletter; and
- Real Estate and Business Agents newsletter.

The Board also invited local government and stakeholders to provide a link from their website to the Board's website.

Exhibitions

In 2007/08 the Board participated at the following industry/consumer exhibitions in both metropolitan and regional areas:

- Cabinet Makers Association Trade Show, September 2007;
- Austral Bricks Home Show, August 2007;
- Designbuild, October 2007;
- Radio West (Bunbury) Ideal Home Show, November 2007;
- Ideal Home Show, March 2008;
- North West Expo (Broome), May 2008; and
- Master Builders Homestyle Show, June 2008.

The Board received 866 enquiries from visitors to these exhibits and provided information and publications to increase community awareness of the Board and the services it provides.

Publications

FOI/7a

During the reporting period the Board reviewed its existing forms and brochures and developed new publications to increase community awareness about the requirements of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*. This included:

- Builders' Registration Board newsletter;
- Site Investigations;
- Resolving Building Disputes;
- Building Disputes Complaint Pack; and
- Building Success Depends on Careful Planning.

Publications and pamphlets are distributed to stakeholders via post and e-mail on request and made available at consumer and industry exhibitions, local government offices, industry associations, education providers, members of Parliament, the Legal Advice Bureau and the Small Business Development Corporation.

Marketing

The Board continued to increase awareness and promote its services in 2007/08 by carrying out the following marketing activities:

- launched a 30 second sponsorship commercial;
- designed new corporate banners;
- redesigned presentation folders; and
- revised corporate e-mail signatures and acknowledgement stationery.

Sponsorships and Awards

In 2007/08 the Board supported high standards in building work by the sponsorship of the following industry awards, events and publications:

- five Master Builders Association Excellence in Building Practice Awards held in metropolitan and regional areas;
- five Housing Industry Association Housing Excellence Awards held in metropolitan and regional areas;
- Australian Institute of Building Surveyors State Conference 2007;
- eight HomeBase Expo Owner-Builder Seminars;
- Central TAFE Award for Best Graduating Student in the Diploma of Builders' Registration; and
- MBA Building Disputes Digest 2008.

SIGNIFICANT ISSUES AND TRENDS

Current and Emerging Issues and Trends

Building Activity

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

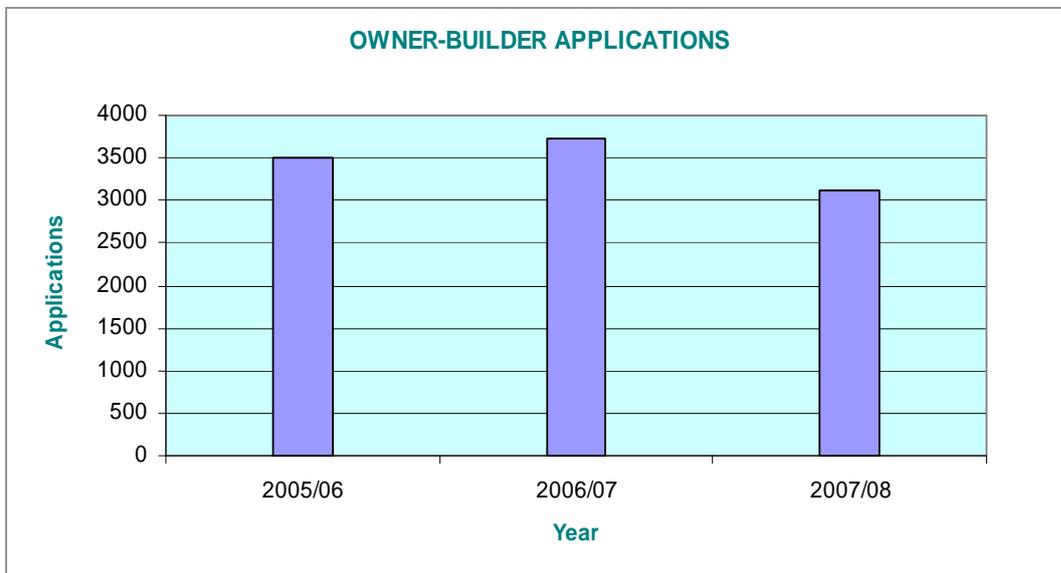
While the total number of dwelling units approved in Western Australia during 2007/2008 has declined by 9.9% (Source: *Australian Bureau of Statistics – Building Approvals June 2008*), indicating a slowing of the housing market, the workload of the Board remained consistent in comparison to previous years, with the number of applications for registration as a builder and the number of complaints to the Building Disputes Tribunal remaining at high levels.

Registration

The Board has seen an upward trend in the number of builders applying for registration in Western Australia through mutual recognition. In the 2007/2008 financial year, the Board received 98 applications for registration through mutual recognition, a 53 per cent increase from 64 applications in the previous period. Since 2005/06, the proportion of mutual recognition applications for registration has increased from 13 percent to 23 percent. This may be attributed to increased labour demand in Western Australia over recent years attracting applicants from other jurisdictions.

Owner-Builder Activity

In 2007/08 the Board processed 3,124 owner-builder certificates, representing a decrease of 19.6% from the previous reporting period. This decrease may be attributed to interest rate rises and is consistent with the plateau of the housing market during 2007/08. The number of owner-builder applications received over the past three years is shown below.



Dispute Resolution

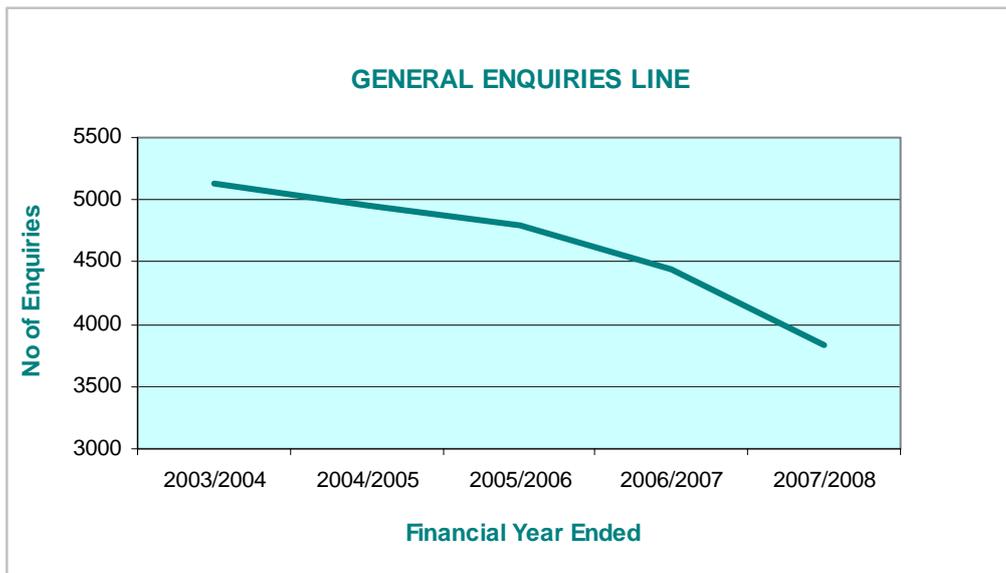
Since 2002/03 there has been an upward trend in the number of complaints being lodged with the Building Disputes Tribunal, attributable to the high level of building activity in the state. It is likely that this trend will continue, given the changes to the thresholds under the *Home Building Contracts Act 1991* on 2 July 2007 (see Changes in Written Law, page 42).

In addition, there has been an upward trend in the number of items contained per complaint lodged, increasing the time taken to compile notices of assessment. The number of complaints received over the past six years is shown below.



Education and Awareness

The Board has seen a downward trend in the number of general telephone enquiries received, as shown in the graph below. This can be attributed to the promotion of the websites.



The Board will continue to assess the level of community awareness of the services it and the Building Disputes Tribunal provides, as well as industry members' knowledge of their obligations under the regulatory framework.

Changes in Written Law

A review of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* conducted by the Department of Consumer and Employment Protection in 2006/07 resulted in amendments to both Acts effective from 2 July 2007.

Amendment to the *Builders' Registration Act 1939*

The minimum value of building work before registration is required as a builder increased from \$12,000 to \$20,000.

Amendments to the *Home Building Contracts Act 1991*

In 2007/08, amendments to the *Home Building Contracts Regulations 1992* came into force that increased:

- from \$6,000 to \$7,500 and from \$200,000 to \$500,000, the lower and upper limit values of building work able to be determined by the Building Disputes Tribunal, respectively; and
- from \$12,000 to \$20,000 the minimum value of building work before builders and owner-builders are required to take out a policy of home indemnity insurance.

Likely Developments and Forecast of Operations

The major development in the operation of the Builders' Registration Board and Building Disputes Tribunal in 2008/09 to be taken into consideration is the impending implementation of the Building Commission. The Building Commission will amalgamate the functions of the Building Industry Development Directorate of the Department of Housing and Works, the Builders' Registration Board, the Painters' Registration Board, the Plumbers Licensing Board and other entities, to deliver one single entity responsible for regulating the building industry.

The Board expects the flow on effects from previously high levels of building activity to continue to impact the demands placed on the Board and Building Disputes Tribunal in 2008/09.

Proposals for Improving Operations

The Builders' Registration Board aims to continue to improve the functions and services it provides to the community by addressing issues and trends as part the strategic planning process. The Board's Corporate Plan for 2008/2009 contains a number of initiatives, a summary of which is provided below.

Registration

- Implement the Board's revised assessments undertaken by registration applicants who have not completed the Board's prescribed course of training.
- Complete the framework for registered builders' management and supervision arrangements, including the reassessment of arrangements when there are changes.
- Commence the development of guidelines for the assessment of sufficient financial and material resources.

Compliance

- Recruit one vacant Compliance Officer position.
- Recruit one vacant Building Inspector position.
- Develop and implement a targeted builder audit program.

Dispute Resolution

- Administer and regularly review the criteria and priority system developed for allocating resources and deploying a Board Inspector.
- Monitor compliance with orders made by the Building Disputes Tribunal and refer possible instances of non-compliance to the Board's Compliance section.
- Develop indicators to monitor the number of complaint items received per complaint.

Education and Awareness

- Develop an electronic newsletter that can be subscribed to by registered builders, industry and interested stakeholders.
- Develop a comprehensive owner-builder information and application package, to replace the existing owner-builder publication.
- Publish and distribute widely the revised publication on resolving building disputes.

DISCLOSURES AND LEGAL COMPLIANCE

Ombudsman Complaints

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

In 2007/08 two such complaints were investigated by the State Ombudsman.

Ministerial Directives

No Ministerial directives were received during the reporting year.

Advertising

In compliance with section 175ZE of the *Electoral Act 1907*, the Board reports that during 2007/08 it incurred expenditure with media advertising organisations.

The total expenditure incurred with Media Decisions was \$ 9,420 for this reporting year.

Disability Access and Inclusion Plan

In 2007/08 the Board continued to work within the constraints of the present accommodation at 18 Harvest Terrace, West Perth.

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

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

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

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

Public Sector Standards and Ethical Codes

In compliance with the requirements of section 31(1) of the *Public Sector Management Act 1994* the Board has submitted a response to the Western Australian Public Sector Annual Agency Survey 2007/08.

During 2007/08 there were no claims for breach of the Public Sector Standards, the Western Australian Public Sector Code of Ethics or the Board's Staff Code of Conduct.

To monitor and ensure compliance with the standards and codes the Board has reviewed and updated the Board's Staff Code of Conduct, included information to new employees during their induction and informed staff of changes. Access to the standards and codes is made available to staff on the Board's intranet.

Recordkeeping Plan

The Board's Recordkeeping Plan was approved for a period of five years by the State Records Commission on 22 April 2004. In 2006/07, the Board developed a records management procedure manual that complies with the requirements of SCR Standard 2 and was approved by the State Records Commission.

In 2007/2008 the Board's Information Services team undertook the following initiatives:

- commencement of a review of the Retention and Disposal schedules;
- electronic file type allocation and naming conventions;
- establishment of a comprehensive training program and manual including record keeping standards;
- provision of training to existing staff in records management principles and the use of the on-line records management database;
- consolidation of records management training into a staff induction program; and
- development of the Board's existing electronic database for the capture, control and information provision of all records held.

Corruption Prevention

In compliance with Premier's Circular No. 2005/02 the Board has implemented a policy and procedure to prevent and reduce the risk of corruption and misconduct.

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

Substantive Equality

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

Sustainability

In accordance with Premier's Circular No. 2004/14: *Sustainability Code of Practice for Government Agencies*, the Builders' Registration Board is a non-SES Organisation and is therefore not required to comply with the code. However, the Board endeavours to reduce its impact on the environment and looks forward to moving to more sustainable premises in 2008/09.

Occupational Safety & Health

In accordance with Premier's Circular No. 2007/12 the Board's Occupational Health and Safety Policy, Procedure and Guidelines, is made available to staff on the Board's intranet and provided to new employees at their induction.

The Board has two staff nominated as Occupational Safety and Health officers who consult with management and staff in the discussion and resolution of Occupational Safety and Health issues. The officers attend training sessions on a regular basis.

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

In 2007/08 the Board had no fatalities or lost time due to injury/diseases.

The Board is committed to maintaining a safe and healthy work environment and aims to reach the following targets in 2008/09:

Number of fatalities = 0

Lost time injury/diseases incidence rate = 0

Lost time injury severity rate = 0

Return to work rate = to be determined

Percentage of managers trained in OSH and injury management = >50%

Freedom of Information

FOI/1

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

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

Applications and enquiries are directed to:

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

Applications

The Board received no Freedom of Information applications in 2007/2008.

Charges

FOI/7a

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

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

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

Deposits

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

Access Arrangements

FOI/8

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

Viewing Documents

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

Notice of Decision

FOI/7a

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

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

Refusal of Access

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

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

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

Client Information

FOI/7a

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

Prescribed forms used to apply for:

- Registration as a builder;
- Owner-builder applications; and
- FOI requests.

Publications

- Quarterly newsletter; and
- Annual report,

Pamphlets (at no charge) including:

- So You Want to be a Builder;
- Thinking of Building Your Own Home;
- Resolving Building Disputes;
- Site Investigations Before Buying a Block of Land; and
- The Home Building Contracts Act: A guide for those undertaking home building and associated work for others.

Internal documents available on written request include:

- Policy statements;
- Minutes of Board meetings (in an edited form);
- Reasons for Decision (Board and Tribunal matters); and
- Information including policies, application forms, reports and the register of builders can be downloaded from the Board's internet site at www.builders.wa.gov.au

FINANCIAL REPORTS

Financial Statements

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

Bentleys was appointed and approved to audit the 2007/08 accounts.

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

Section 23B (1a) of the *Builders' Registration Act 1939* requires that the annual report is to contain separate reports on the operations of the Board referred to in section 8B(4)(a) and (b). Financial Statements detailing the administrative functions of the Board and the management of dispute resolution procedures are appended to this report.

Board Statement on its Finances

The financial outcome for 2007/08 is an operating deficit of \$163,159. This is as a result of higher income offset by higher expenditure. Whilst continuing high levels of building activity in the State have contributed to higher than expected revenue from a volume increase in annual registration fees, this was more than offset by an increase in expenditure.

Expenditure significantly increased in the areas of Building Disputes Tribunal Fees as a result of an increase in the Tribunal's sittings, salaries and general office expenses.

The Board is confident that it will have financial resources to carry out 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.



Mark Cuomo
CHAIRPERSON



Kim Fare
REGISTRAR

Statement by Registrar for the period 1 July 2007 to 30 June 2008

In the opinion of the Board's Registrar, the financial report as set out on pages 52 to 60:

1. Presents fairly the financial position of the Builders' Registration Board of Western Australia as at 30 June 2008 and its performance for the 12 month period ended on that date in accordance with the accounting policies described in Note 1 to the Financial Statements.
2. The report has been properly prepared by a competent person.
3. a) The Board has kept such accounting records as to correctly record and explain the transactions and financial position of the Board.

b) The Board has kept its accounting records in such a manner as would enable true and fair accounts of the Board to be prepared from time to time.

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



Kim Fare
REGISTRAR

Dated this 28th day of September 2008



**INDEPENDENT AUDIT REPORT
TO THE MINISTER FOR CONSUMER PROTECTION
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

RLF Bentleys
Audit & Corporate Pty Ltd
ABN 33 121 222 802

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12 Kings Park Road
West Perth WA 6005

PO Box 44
West Perth WA 6872

T +61 8 9226 4500
F +61 8 9226 4300

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Scope

We have audited the financial report, being a special purpose financial report comprising the Cash Flow Statement, Income Statement, Balance Sheet, and notes to and forming part of the Financial Report of the Builders' Registration Board of Western Australia for the financial year ended 30 June 2008. 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.

Independence

We are independent of the Builders' Registration Board of Western Australia, and have met the independence requirements of Australian professional ethical pronouncements.

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 2008 and the results of its operations for the year then ended.

BENTLEYS
Chartered Accountants

CHRIS WATTS
Director

DATED at PERTH this 23rd day of September 2008



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



BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**INCOME STATEMENT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

Income	Notes	12 months to 30 June 2008 \$	12 months to 30 June 2007 \$
Annual registration fees		2,449,370	2,276,761
Administration income	1(e)	91,440	118,500
Appeal cost recoveries		7,500	2,000
Application fees		102,602	104,224
Arrears and penalties		1,325	1,408
Building Disputes Tribunal recoveries		40,598	32,402
Building licence levy		2,535,570	2,591,667
Certificate fees		9,848	9,603
Interest on investments		126,984	104,496
Infringements		6,302	6,520
Other income		8,974	19,321
Owner-builder levy		356,711	407,027
Profit on sale of motor vehicles		1,532	1,947
Prosecutions recoveries – Board		0	889
Prosecutions recoveries – Court		52,800	79,128
PRB Salaries Support Charge		134,226	66,927
SAT Recoveries		6,170	1,500
Total Income		5,931,952	5,824,320
Expenditure			
Advertising/Promotions		51,495	48,028
Annual leave		72,990	-10,947
Annual awards/sponsorship		48,445	33,368
Assessments		14,125	15,673
Audit expenses		11,000	7,250
Bad Debts		9,622	0
Bank charges		21,290	18,624
Board members' fees		215,651	219,490
Building Disputes Tribunal fees		707,936	580,790
Building licence levies-collection costs		348,032	367,678
Computer expenses		110,679	113,120

The accompanying notes form part of this financial report.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**INCOME STATEMENT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

Notes	12 months to 30 June 2008 \$	12 months to 30 June 2007 \$
Expenditure (cont...)		
Consultants' fees	30,532	38,108
Consultant inspectors	77,066	158,375
Depreciation	216,152	227,654
Disposal of Fixed Assets	25,106	42,040
Doubtful debts	-38,593	25,856
Fringe benefits tax	68,393	63,844
Insurance premiums	11,587	31,625
Legal expenses	13,037	16,068
Legal – advice and representation	12,605	93,187
Long service leave	-428	84,863
Memberships	311	0
Motor vehicle expenses	136,079	91,701
General / Office expenses	48,067	74,752
Payroll tax	136,337	138,624
Photocopier expenses	77,223	60,906
Postage and courier charges	37,612	25,015
Printing and stationery	59,785	65,769
Rates, cleaning and electricity	105,840	93,207
Repairs and maintenance	10,927	18,199
Salaries - Staff	2,937,166	2,800,825
Salaries - Agency	78,097	76,937
Social business expenses	14,584	12,765
Staff training expenses	19,832	32,740
Subscriptions	8,922	7,865
Superannuation contributions	305,513	290,426
Telephone	39,534	43,670
Transcription	29,916	16,319
Travelling and accommodation	22,644	24,463
Total Expenditure	6,095,111	6,048,877
Operating Surplus/ (Deficit)	(163,159)	(224,557)

The accompanying notes form part of this financial report.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Notes	30 June 2008 \$	30 June 2007 \$
Current assets			
Cash	7a	2,407,072	2,249,417
Receivables	2	393,728	420,113
Interest accrued		39,562	0
Prepayments		21,113	0
		-----	-----
Total current assets		2,861,475	2,669,530
		-----	-----
Non-current assets			
Property, plant & equipment	3	2,561,911	2,693,579
		-----	-----
Total non-current assets		2,561,911	2,693,579
		-----	-----
TOTAL ASSETS		5,423,386	5,363,109
		=====	=====
Current liabilities			
Payables		120,202	208,691
Income in advance		1,218,578	1,110,926
Accrued expenses		122,742	58,110
Provision for employee entitlements	4	655,355	515,714
Provision for superannuation 2001/2004		17,372	17,372
		-----	-----
Total current liabilities		2,134,249	1,910,813
		-----	-----
TOTAL LIABILITIES		2,134,249	1,910,813
		=====	=====
NET ASSETS		3,289,137	3,452,296
		=====	=====
BOARD FUNDS & RESERVES			
Accumulated funds	5	2,024,085	2,187,244
Asset revaluation reserve	6	1,265,052	1,265,052
		-----	-----
TOTAL BOARD FUNDS & RESERVES		3,289,137	3,452,296
		=====	=====

The accompanying notes form part of this financial report.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

	Notes	12 months to 30 June 2008 \$	12 months to 30 June 2008 \$
Cash flows from operating activities			
Receipts from Registered Builders		2,452,632	2,262,632
Building licence and owner-builder levies		2,679,525	2,648,818
Payments to suppliers and employees		(5,447,017)	(5,262,394)
Receipts of administration fee income		91,440	118,500
Interest received		87,422	104,492
Prosecution/Inquiry monies received		106,073	217,600
Other receipts		298,701	290,589
Net cash flow provided by operating activities	7(b)	268,776	380,237
Cash flows from investing activities			
Payments on purchase of plant and equipment		149,132	(227,083)
Net cash used in investing activities		(111,121)	(227,083)
Net increase/(decrease) in cash held		157,655	153,154
Cash at the beginning of the financial year		2,249,417	2,096,263
Cash at the end of the financial year	7(a)	2,407,072	2,249,417

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

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 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality

No other Australian Accounting Standards, Australian Interpretations 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:

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

(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%

(b) Revaluation of non-current assets

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

(c) Income tax

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

(d) Employee Entitlements

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

(e) Administration income

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

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

NOTE 2 RECEIVABLES

	30 June 2008	30 June 2007
	\$	\$
Registration fees	15,317	18,579
Prosecutions/Inquiries		
	145,982	192,014
Infringements	1,770	2,708
Building licence levy	244,488	272,112
Other	73,916	61,031
	-----	-----
	481,473	546,444
Less: Provision for doubtful debts	(87,745)	(126,331)
	-----	-----
	393,728	420,113
Net GST refundable	0	0
	-----	-----
	<u>393,728</u>	<u>420,113</u>

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

NOTE 3 PROPERTY, PLANT & EQUIPMENT

	30 June 2008	30 June 2007
	\$	\$
Premises at independent valuation	2,330,000	2,330,000
Less: Accumulated depreciation	(332,316)	(227,175)
	1,997,684	2,102,825
Office furniture, fittings and equipment – Cost	237,466	245,779
Less: Accumulated depreciation	(143,563)	(134,061)
	93,903	111,718
Computer Hardware and Software	495,331	428,684
Less: Accumulated depreciation	(202,868)	(160,808)
	292,463	267,876
Office refurbishment – Cost	543,706	532,483
Less: Accumulated depreciation	(393,102)	(370,469)
	150,604	162,014
Motor vehicles – Cost	34,074	79,129
Less: Accumulated depreciation	(6,818)	(29,983)
	27,257	49,146
Total property, plant and equipment	2,561,911	2,693,579

Licensed valuers performed the independent valuation of the premises as at 12 August 2005 using a direct comparison method, which analysed the best available market evidence on a rate per square metre of strata building area.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

NOTE 4 PROVISION FOR EMPLOYEE ENTITLEMENTS

	30 June 2008	30 June 2007
	\$	\$
Annual leave	246,490	158,484
Long service leave	408,865	357,230
	-----	-----
	655,355	515,714
	-----	-----

NOTE 5 ACCUMULATED FUNDS

	30 June 2008	30 June 2007
	\$	\$
Balance at the beginning of the period	2,187,244	2,411,801
Operating surplus (deficit) for the period	(163,159)	(224,557)
	-----	-----
Balance at the end of the period	2,024,085	2,187,244
	-----	-----

NOTE 6 ASSET REVALUATION RESERVE

	30 June 2008	30 June 2007
	\$	\$
Balance at the beginning of the period	1,265,052	1,265,052
Movement for the period	0	0
	-----	-----
Balance at the end of the period	1,265,052	1,265,052
	-----	-----

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD 1 JULY 2007 TO 30 JUNE 2008**

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:

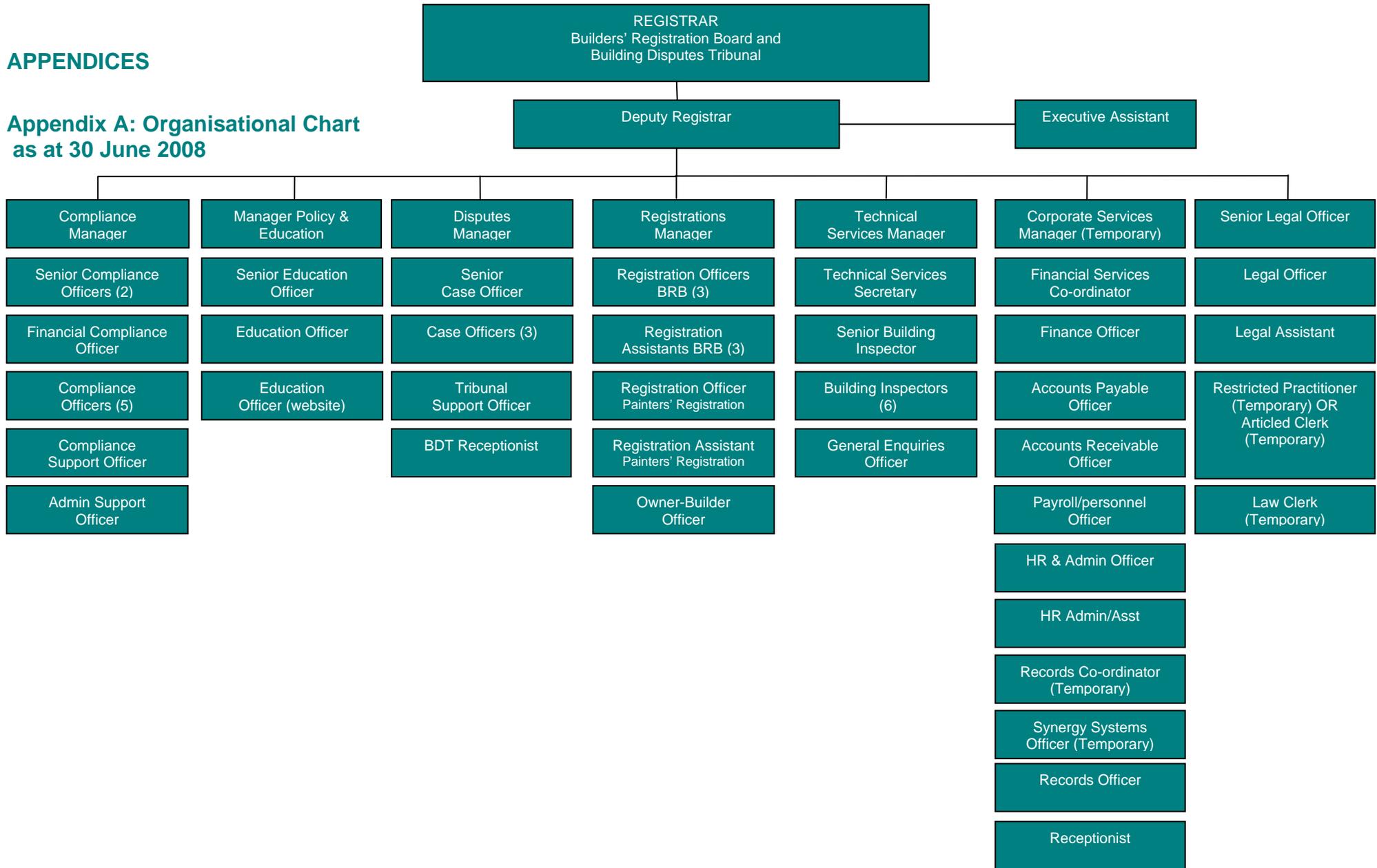
	30 June 2008	30 June 2007
	\$	\$
Cash on hand	1,650	1,650
Cash at bank	2,405,422	2,247,767
	-----	-----
	2,407,072	2,249,417
	-----	-----

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

	30 June 2008	30 June 2007
	\$	\$
Operating surplus (deficit) for the period	(163,159)	(224,557)
Non cash flows in operating surplus:		
- loss on sale of motor vehicle	26,638	1,948
- depreciation	216,152	227,654
- doubtful debts	(38,586)	(9,723)
Net movement in assets and liabilities:		
- decrease in receivables	(64,971)	67,540
- increase in prepayments	(21,113)	0
- increase in interest accrued	(39,562)	0
- (decrease) in sundry creditors	(88,489)	27,996
- (decrease) in accrued expenses	64,632	129,473
- increase in income in advance	107,652	73,781
- increase in provision for employee entitlements	139,640	86,125
- increase in provision for superannuation for Board and Building Dispute Tribunal members	0	0
	-----	-----
Net cash provided by operating activities	268,776	380,237
	-----	-----

APPENDICES

Appendix A: Organisational Chart as at 30 June 2008



Appendix B: Information Statement

FREEDOM OF INFORMATION INDEX	PAGE/S	Foi
Index	46	FOI/1
Mission and Objectives	7	FOI/2
Legislation administered	7	FOI/3
Organisational structure	10	FOI/4
Decision making process	7	FOI/5
Public participation in the formulation of policy and performance of the Board's functions through consumer and industry representatives.	8	FOI/6
Documents held	34	FOI/7a
No charge – available outside FOI For purchase		
Operation of FOI: How applications are dealt with	47	FOI/8