

Builders' Registration Board

2010/11 ANNUAL REPORT



Foreword

It is my pleasure to introduce the Builders' Registration Board of Western Australia's 2010/11 Annual Report that describes the functions, operations, achievements and performance of the Board during the reporting period.

The achievements of the Board over the past 71 years would not have been possible without the commitment and dedication of Board members and staff, all of whom have worked tirelessly to ensure consistent high quality of performance in the core areas of registration, compliance, dispute resolution, and education and awareness.

On 29 August 2011, the introduction of new building services legislation repealed the *Builders' Registration Act 1939* and abolished the Builders' Registration Board and Building Disputes Tribunal, introducing a new Building Services Board administered by the Building Commission, a division of the Department of Commerce. Staff and resources have been transferred to the Building Commission which aims to modernize building regulation through the consolidation of licensing and building standards and the provision of a new dispute resolution services.

Statement of Compliance

In accordance with section 121 of the *Building Services (Registration) Act 2011* I hereby submit to the Minister for Commerce for tabling in Parliament, the Annual Report of the Builders' Registration Board of Western Australia for the financial year ended 30 June 2011.

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



Peter Gow
BUILDING COMMISSIONER

Dated this 6th day of October 2011

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OVERVIEW

Executive Summary

In 2010/11, the Board maintained a strategic focus on providing a regulatory and dispute resolution service to the community with the aim of ensuring a high standard of building work in Western Australia.

The Board's functions are to:

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

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

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

The Australian Bureau of Statistics reported that Western Australian local governments issued 20,857 building approvals for houses and other dwellings in 2010/11, valued at a total of nearly \$6.5 million. This represents a 17 per cent decrease in building approvals for Western Australia from last year's total of 25,117.

The Board's workload remained at high levels and achievements in 2010/11 included maintaining a register of 6,575 builders, processing 585 applications for registration, issuing 2,251 owner-builder certificates, and carrying out 509 building inspections.

The Board also completed 262 investigations into alleged offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, referred 19 builders to the State Administrative Tribunal for disciplinary action, and took 31 proceedings in the Magistrates Court.

The Building Disputes Tribunal received 852 complaints, issued 295 orders to remedy, and 209 orders to pay valued at \$2,283,902.

During 2010/11, a key consideration continued to be the planning and preparation of the Board's amalgamation with the Building Commission.

Operational Structure

Enabling Legislation

FOI/5

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

Legislation Administered

FOI/3

The Board operates under the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

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

Responsible Minister

The Minister responsible for the administration of the Builders' Registration Board is Hon. Simon O'Brien MLA, Minister for Commerce.

Area of Jurisdiction

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

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

Indian Ocean Territories






A service delivery arrangement between the Commonwealth Government and the Board was entered into on 31 May 2007 and renewed on 21 December 2009 to enable the Board to provide dispute resolution services to the Christmas and Cocos (Keeling) Islands.

The Board

FOI/6

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

Board Members

 <p>Mr John Hockley</p>	<p>Chairperson <i>Appointed under s. 5A(2) of the Builders' Registration Act 1939</i></p> <p>Mr Hockley, a legal practitioner, was appointed in June 2010 as the Chairperson of the Board, Building Disputes Tribunal and Painters' Registration Board.</p> <p><i>Deputy: Ronald Slobe</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></p> <p>Mr Slobe, a registered builder, was appointed in December 2002.</p> <p><i>Deputy: Charlie Baggetta</i></p>
 <p>Mr Steven Peck</p>	<p>Master Builders Association Nominated Member <i>Appointed under s. 5A(3)(b)(ii) of the Builders' Registration Act 1939</i></p> <p>Mr Peck, a registered builder, was appointed in January 2008.</p> <p><i>Deputy: John Ripp</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></p> <p>Mr Harrison, a registered builder, was appointed in May 2001.</p> <p><i>Deputy: Suzanne Churn</i></p>
 <p>Mr Graham Pallot</p>	<p>Construction, Forestry, Mining and Energy Union Nominated Member <i>Appointed under s. 5A(3)(b)(ii) of the Builders' Registration Act 1939</i></p> <p>Mr Pallot, a union organiser (BLF and CFMEU), was appointed in June 2010.</p> <p><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></p> <p>Mr Pinder, a registered architect, was appointed in April 2002.</p> <p><i>Deputy: Janine Marsh</i></p>
 <p>Ms Jacqueline Stewart</p>	<p>Consumer Representative Member <i>Appointed under s. 5A(3)(a) of the Builders' Registration Act 1939</i></p> <p>Ms Stewart a Chief Risk Officer and Company Secretary (Sentry Group Pty Ltd) was appointed in June 2010.</p> <p><i>No Deputy Appointed</i></p>

Board Meetings 2010/11

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

BOARD MEMBER	MONTHLY	REGISTRATION	DEPUTY ATTENDED
John Hockley (Chairperson)	8	8	
Steven Peck	10	10	
Graham Pallot	9	9	
Patrick Pinder	11	11	
Neville Harrison	11	11	1
Jacqueline Stewart	10	10	
Ronald Slobe	12	12	

Executive Staff

FOI/4

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

Organisational Structure

FOI/4

As at 30 June 2011, the Board had 72 established positions, of which eight were temporary positions and one was vacant. The organisational chart is at Appendix A.

Staff Development

The Board is committed to the training and development of its employees. During the reporting year staff received 90 days of training, in areas of information technology, human resources, occupational safety and health, communication, building practices and legislative requirements.

Performance Management Framework

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

Contribution to Government Goals

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

State Building – Major Projects

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

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

Financial and Economic Responsibility

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

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

Outcome Based Service Delivery

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

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

Stronger Focus on the Regions

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

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

Social and Environmental Responsibility

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

Strategic Objectives

FOI/2

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

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

Registration

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

Compliance

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

Dispute Resolution

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

Education and Awareness

- To ensure that builders, owner-builders, associated building trades and local governments are aware of their duties and obligations under the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.
- To promote public awareness of the Board's role and the obligations of industry to comply with legislation.

Shared Responsibilities with Other Agencies

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

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

ACHIEVEMENTS

The Board's 2010/11 Corporate Plan identified key priorities and targets for each service area that align with the Board's strategic objectives. The results of these initiatives for the reporting year are below:

Registration

Priority 1 *Review current information provided to prospective applicants for registration to improve the quality of applications received.*

Guidelines have been developed for all pathways and application forms updated.

Priority 2 *Hold regular in-house seminars for applicants for registration that are designed to help prospective applicants gain a better understanding of the application for registration process and will assist them in preparing their application to the Board.*

Four in-house seminars were held to help prospective applicants gain a better understanding of the application for registration process and assist in the preparation of their application.

Priority 3 *Complete data cleansing of the information relating to registered/unregistered builders stored on the Board's corporate database Synergy.*

Data cleansing of the information relating to registered builders stored on the Board's corporate database Synergy continued during the reporting period. This project is still in progress.

Priority 4 *Continue to allocate one temporary officer to provide registrations processing support during the period of time staff will be undertaking the data cleansing project.*

One temporary officer was allocated to provide registrations processing support during the period of time staff were undertaking the data cleansing process. The officer's contract has been continued until end December 2011.

Target 1 *All applications for registration received are acknowledged within five working days of lodgement.*

All applications received were acknowledged within five working days of lodgement.

Target 2 *80 per cent of complete applications are presented to the Board within eight weeks.*

75 per cent of complete applications were presented to the Board within eight weeks.

Target 3 *All applicants advised of outcomes of their application within five working days of a decision by the Board.*

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

Compliance

Priority 1 *Continue to undertake building inspections and prepare notices of assessment for the BDT as efficiently as possible within existing resources.*

The Board continued to undertake inspections and provide assessment reports to the Building Disputes Tribunal. Work reforms introduced in December 2010 assisted in reducing time delays in responding to inspection requests.

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

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

Priority 3 *Continue targeting active registered builders under the audit program.*

Audits of 233 registered builders were conducted during the reporting period.

Priority 4 *Continue to monitor compliance with orders made by the Building Disputes Tribunal.*

26 instances of non-compliance with Tribunal orders were identified and investigated.

Target 1 *All complaints received are acknowledged within five working days of lodgement.*

Procedures are in place to ensure all written complaints are acknowledged within five working days of receipt by Compliance.

Target 2 *Undertake 100 random inspections of building work.*

The Board undertook 92 random inspections of building work. The target was not met due to a concentrated effort to efficiently reduce the number of Building Disputes Tribunal complaints awaiting inspection.

Target 3 *Undertake 1000 random site inspections for compliance with regulatory obligations.*

1,885 random site inspections were carried out.

Dispute Resolution

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

Key target dates were monitored ensuring that complaints were dealt with efficiently and in a timely manner.

Priority 2 *Continue to monitor compliance with orders made by the BDT and refer to the Board's Compliance section where appropriate.*

Failures to comply with orders to remedy and orders to pay were monitored and referred to the Board's Compliance Section for investigation.

Priority 3 *Continue to monitor the number of items received per complaint.*

The number of complaint items received per complaint was monitored and an increase was noted.

Priority 4 *Continue to identify trends in the nature and cause of complaints made to the BDT by tracking the rate of complaints from various categories of work, to identify trends in the nature and cause of complaints made to the BDT.*

The rate of complaints regarding various categories of building work was tracked. A review of the categories was undertaken to accurately reflect the type of work to which a complaint relates. Trends indicated that the majority of complaints were against registered builders and related to workmanship issues in the building of new homes.

Target 1 *All complaints are acknowledged within five working days.*

All complaints were acknowledged within five working days.

Target 2 *All requests for reasons for decision are referred to the Building Disputes Tribunal within two working days of receiving the request.*

Approximately 95 per cent of requests for reasons for decision were referred to the Building Disputes Tribunal within two working days of receiving the request.

Target 3 *90 per cent of building inspections are undertaken within 10 working days from receipt of request from the BDT.*

99 per cent of building inspections were undertaken within ten working days from the date the complaint was assigned to an inspector.

Target 4 *75 per cent of building inspection reports are provided to the parties within 20 working days of the inspection being undertaken.*

70 per cent of building inspection reports were provided to the parties within 10 working days of the inspection being undertaken.

Education and Awareness

Priority 1 *Continue to increase community awareness of the role and functions of the Board and BDT and promote their websites.*

The Board continued to promote awareness of its role by participating in consumer and industry exhibitions, issuing press releases and providing articles for other organisations publications. The Board also promoted the Board and Building Disputes Tribunal websites as a main source of information, resulting in a significant increase in visits to the websites from the previous reporting period.

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

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

Priority 3 *Ensure that the Board and Building Disputes Tribunal websites and online services are up-to-date and relevant.*

The Board and Building Disputes Tribunal websites and online services were kept up-to-date and relevant. A review of registration content and downloadable application forms was carried out, additional information was developed for builders and consumers, and the local government intranet was reviewed and updated as required.

Priority 4 *Continue to promote the subscription of the BRB electronic newsletter to registered builders, industry and interested stakeholders.*

The BRB electronic newsletter was promoted during 2010/11. As at 30 June 2010, there were 3,455 online subscribers, an increase of 4.4 per cent from the previous year.

Priority 5 *Complete the development of the brochure for building trades and distribute widely through existing educational initiatives, industry associations and the Small Business Development Corporation.*

The Building Trades Guide was published in February 2011 and 2,127 copies distributed to seventy five organisations in WA including educational and training institutions, industry associations, and Small Business Development Corporation offices. The guide is also available to download from the Board's website.

Target 1 *Conduct information and education forums for building industry participants held at various locations and also targeted at associated trades/smaller builders.*

The Board conducted 32 information and education seminars for building industry participants during 2010/11. This included 21 seminars for Local Government building services staff held in metropolitan and regional areas, four builders' registration seminars, two seminars about the *Builders' Registration Act 1939* to students completing the Diploma of Project Management and five seminars to Managers/Supervisors of building companies.

Target 2 *Publish the BRB newsletter quarterly and distribute the electronic*

newsletter to subscribers.

In 2010/11 the Board's newsletter and e-newsletter was published quarterly, each issue being distributed to approximately 6,700 recipients, including builders, local government, industry and consumer associations and government agencies.

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

The Board held one regional meeting in Broome.

Changes to Key Priorities

There was one change to the Board's key priorities during the reporting period.

The Compliance Target 2 required that 150 random inspections of building work are carried out. This target was reviewed following an increase in the number of complaints received by the Board and restrictions due to resources and staffing. The revised target is that 100 random inspections of building work are carried out.

REPORT ON OPERATIONS

Registration

Key Activities

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

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

The Register of Builders

FOI/7a

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

As at 30 June 2011 there were 6,575 builders registered with the Board, comprising 4,603 individuals, 1,673 companies and 299 partnerships.

The Register is published on the Board's website and is available to be downloaded free of charge in PDF format. The Register can also be purchased from the Board in excel format.

Applications for Registration

In 2010/11, the Board received 585 applications for registration, an increase of 11.2 per cent from the previous year. Of those, 427 were approved, 45 were refused, 92 were pending referral to the Board, and 21 were withdrawn by the applicant.

Applications were received under 12 categories as listed below:

CATEGORY OF REGISTRATION	APPLICATIONS RECEIVED		
	2008/09	2009/10	2010/11
Individuals:			
Examinations	66	96	109
Manager/Supervisor	64	58	86
Experience elsewhere than in Western Australia	25	38	36
Experience outside the area of the Act in Western Australia	2	2	0
Architect	3	3	0
Engineer	15	20	15
Australian Institute of Builders	17	11	7
Australian Institute of Mining and Metallurgy	0	0	0
Companies	142	174	214
Partnerships	6	14	18
Temporary Licence	3	5	1
Mutual Recognition	132	105	99
TOTAL	475	526	585

Applications for Termination of Suspension or Reinstatement of Cancelled Registration

In the 2010/11, nine applications were made to the State Administrative Tribunal for registration to be reinstated or conditions removed.

The applications resulted in three applicants being granted reinstatement of registration for employment purposes only, one applicant being granted reinstatement of registration and one applicant being granted the removal of their conditions of registration. Two applications were withdrawn and two applications are still pending.

Review of Board Decisions

A person who is dissatisfied with the Board's decision in respect of an application for registration may apply to the State Administrative Tribunal (SAT) for a review of that decision. In 2010/11, the SAT received seven applications to review the Board's decision to refuse registration, which resulted in two being denied, two being granted registration, two being withdrawn by the applicant, and one is pending determination.

Owner-Builders

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

In 2010/11, the Board issued 2,251 owner-builder certificates relating to the construction of residential dwellings, a 24.5 per cent decrease from last year's total of 2,982.

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

In 2010/11, the Board received 29 applications to construct a specialised type of industrial building, of which 13 were approved, 13 were refused and three were withdrawn.

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

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

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

In 2010/11, there were 111 applications made by owner-builders, which included 28 applications to build again within the prescribed six-year period and 83 applications to sell. The following table provides details of how those applications were decided:

APPLICATIONS TO BUILD	2010/11
Approved	25
Refused	0
Pending	3
Lapsed	0
Withdrawn	0
Total	28

APPLICATIONS TO SELL	2010/11
Approved	67
Refused	0
Pending	16
Lapsed	0
Withdrawn	1
Total	83

Compliance

Key Activities

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

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

Compliance Audits

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

Of the 233 builders audited in 2010/11, 30 had no breaches identified, 199 had one or more minor breaches identified and four had one or more major breaches identified which were referred for further investigation.

Surveillance

In 2010/11, the Board conducted an industry surveillance campaign in the metropolitan area focusing on signage compliance with the *Builders' Registration Act 1939*. This resulted in 1,855 building sites being visited, of which 91 per cent complied.

The Board conducted seven regional visits to the South West, Mid West, Great Southern, Eastern Wheatbelt and the Pilbara. During these visits, information seminars, investigations, audits and building site visits were conducted to assess industry compliance with their statutory obligations and raise awareness of the legislative requirements.

During the year the Board issued 106 infringement notices valued at a total of \$4,760. Of these, 88 were issued to registered builders and 18 were issued to owner-builders.

Investigations

In 2010/11, the Board completed 262 investigations into offences against the *Builders' Registration Act 1939* and *Home Building Contracts Act 1991*. As at 30 June 2011, 29 matters were awaiting investigation.

INVESTIGATIONS COMPLETED		
NO. OF INVESTIGATIONS	ACT* AND SECTION	DESCRIPTION +
8		No breach identified
47	BRA section 4	Unregistered building and/or holding out to be a registered builder
1	BRA section 4A(2)(c)	False representation/statement to local government on registration or qualifications held under the BRA
2	BRA section 4A(3)	Owner-builder sold within 3 years without the Minister's consent
1	BRA section 9AA	Failure to notify Board of change of address
1	BRA section 10(4)	Incorrect or no builders sign on building site
22	BRA section 12A(4)	Failure to comply with order of the Building Disputes Tribunal
11	BRA section 13(1)(ba)	Insufficient material and financial resources
42	BRA section 13(1)(c)	Negligence/incompetence or convicted of BRA offence
4	BRA section 13(1)(ca)	Failure to manage and supervise as required
11	BRA section 13(1)(d)	Fraudulent conduct
23	BRA section 13(1)(da)	Harsh/unconscionable/misleading conduct
4	BRA section 13(1)(db)	Failure to comply with order of the Building Disputes Tribunal
1	BRA section 13(1)(ea)	Failure to comply with condition of registration
26	HBCA section 4	Failure to provide a contract and statutory notice for the home owner
5	HBCA section 7(3)	Non complying variations
47	HBCA section 10	Excessive deposits and progress payments
2	HBCA section 14	Cost plus contracts
1	HBCA section 17(6)	Failure to comply with order of the Building Disputes Tribunal
3	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*

As at 30 June 2011, there were 62 investigations in progress:

INVESTIGATIONS IN PROGRESS		
NO. OF INVESTIGATIONS	ACT* AND SECTION [†]	DESCRIPTION +
11	BRA section 4	Unregistered building and/or holding out to be a registered builder
1	BRA section 10AA	Failure to manage and supervise as required
14	BRA section 12A(4)	Failure to comply with order of the Building Disputes Tribunal
16	BRA section 13(1)(c)	Negligence/incompetence or convicted of BRA offence
4	BRA section 13(1)(ca)	Failure to manage and supervise as required
3	BRA section 13(1)(da)	Harsh/unconscionable/misleading conduct
1	BRA section 13(1)(ea)	Failed to comply with condition of registration
3	HBCA section 4	Failure to provide a contract and statutory notice for homeowner
8	HBCA section 10	Excessive deposits and progress payments
1	HBCA section 25C(2)	Deposit demanded prior to home indemnity insurance supplied by builder

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

[†] *primary allegation being investigated.*

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

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

Prosecutions and Disciplinary Action

In 2010/11, the Board took proceedings against 50 persons/entities for offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* as shown in the table below:

JUDICIAL FORUM	MATTERS IN PROGRESS AS AT 30/06/11	MATTERS DETERMINED AS AT 30/06/11	TOTAL
Magistrates Court	6	25	31
State Administrative Tribunal	8	11	19
TOTAL	14	36	50

Board Referrals to the State Administrative Tribunal

FOI/5

During 2010/11, the Board referred 19 matters to the State Administrative Tribunal (SAT) for disciplinary action under section 12D of the *Builders' Registration Act 1939*. Of these six resulted in a fine only, two had their registration cancelled, two had their registration suspended, and one was declared ineligible person for three years. As at 30 June 2011, there were eight matters pending. Details are set out in the table below:

MATTERS DETERMINED BY THE STATE ADMINISTRATIVE TRIBUNAL				
NAME	SECTION OF BRA*	DATE DETERMINED	FINE \$ / RESULT	COSTS ORDERED \$
Timothy Mark King	13(1)(ba)	09/09/10	Registration cancelled	
				3,150
Halvor Harris	13(1)(da)	16/09/10	3,500	500
Basilio Micale	13(1)(db)	05/11/10	Registration suspended until Order To Pay is satisfied	
			3,000	1,000
20*20 Pty Ltd	13(ba)	09/12/10	Registration suspended	
Graham Pohle	13(1)(c)	03/02/11	1,000	500
J-Corp Pty Ltd	13(1)(c)	17/03/11	2,500	375
Dino Giuseppe Mascione	13(1)(da) and 13(1)(c)	31/03/11	6,000 (global)	650
Darren William Neale	13(1)(da)	07/04/11	5,000	441
20*20 Pty Ltd	13(1)(c) and 13(1)(d)	17/05/11	Registration cancelled	
Terry Stephen Romaro (as director of 20*20 Pty Ltd)	13(1)(c) and 13(1)(d)	17/05/11	Declared an ineligible person for 3 years	
Kurt Howard Riley	13(1)(c)	02/06/11	7,000	522
TOTAL			28,000	7,138

*BRA = *Builders' Registration Act 1939*

Prosecutions

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

The prosecutions undertaken by the Board in the following table were determined in 2010/11, amounting to 25 prosecutions for 73 offences against the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*.

PROSECUTIONS CARRIED OUT BY THE BOARD					
NAME	NO. OF CHARGES	SECTION ⁺	ACT*	FINES \$	COSTS \$
SS411 Pty Ltd	1	4(1)(A)(b)	BRA	5,000	312.70
Tyricas Pty Ltd	7	4(1)(b)	HBCA	3,000	1,324.70
		10(1)(a)	HBCA		
		4A(2)	BRA		
		4(1)(A)(b)	BRA		
		4(1)(a)(i)	HBCA		
		4A(2)(b)	BRA		
		4A(2)(b)	BRA		
Graeme Frederick Allen	3	4(3)	HBCA	500	303.20
		7(1)	HBCA	200	
		10(1)(a)	HBCA	2,000	
John Vadala	1	4(3)	HBCA	100	-
Australian Building Improvements Pty Ltd	4	4(1)(A)(b)	BRA	1,000	424.20
		4(3)	HBCA	200	
		10(1)(a)	HBCA	1,000	
		4(3)	HBCA	100	
Lindsay Roope	1	12A(4)	BRA	4,000	174.20
Race Refrigeration (WA) Pty Ltd	1	12A(4)	BRA	1,000	374.20
Robert Phillip Van Der Reest	1	12A(4)	BRA	1,000	423.70
Elmar Nasic	1	71(1)(e)	IA	2,000	234.20
Juliette Lyn Rowsell	1	12A(4)	BRA	200	417.20
Stephen Garner	1	12A(4)	BRA	200	521.70
William Robert Stopforth	1	4(1)(a)(i)	HBCA	300	493.60
Stephen Farmer	4	4(1)(A)(b)	BRA	1,000	360.00
		4(1)(A)(b)	BRA	(global)	
		4(1)(a)(i)	HBCA	200	
		25C(1)	HBCA	1,000	
Robert Gepp	4	4(1)(A)(b)	BRA	1,000	274.70
		4(1)(A)(b)	BRA	(global)	
		4(1)(a)(i)	HBCA	200	
		25C(1)	HBCA	1,000	
Antonio Noto	1	4(1)(A)(aa)	BRA	500	254.70
Benchmark Designer Homes Pty Ltd	3	25C(2)	HBCA	1,500	274.70
		25C(2)	HBCA	(global)	
		25C(2)	HBCA		
Bernini Stone and Tiles Pty Ltd	6	4(1)(b)	HBCA	200	429.70
		4(3)	HBCA	200	
		10(1)(a)	HBCA	1,000	
		4(1)(b)	HBCA	200	
		4(3)	HBCA	200	
		10(1)(a)	HBCA	1,000	
Christopher Simunovich	1	4A(3)	BRA	2,000	234.70
David Whiting	2	4(1)(A)(b)	BRA	3,000	272.16
		10(1)(a)	HBCA	(global)	
Myles Stubbs	9	4(3)	HBCA	14,600	579.70
		10(1)(a)	HBCA		
		4(1)(a)(i)	HBCA		
		4(3)	HBCA		
		10(1)(a)	HBCA		
		4(1)(a)(i)	HBCA		
		10(1)(a)(i)	HBCA		
		71(1)(e)	IA		
Stewart Martincic	10	4(3)	HBCA	3,000	437.80
		5(2)	HBCA		

PROSECUTIONS CARRIED OUT BY THE BOARD					
NAME	NO. OF CHARGES	SECTION ⁺	ACT ⁺	FINES \$	COSTS \$
		10(1)(a)	HBCA		
		4(1)(A)(b)	BRA		
		4(1)(A)(b)	BRA		
		4(1)(A)(b)	BRA		
		4A(2)	BRA		
		4(1)(a)(i)	HBCA		
		10(1)(a)	HBCA		
		4A(2)	BRA		
Westcoast Builders Pty Ltd	3	4(1)(A)(b)	BRA	4,500	226.45
		4(1)(A)(b)	BRA		
		10(1)(a)	HBCA		
Shane Gibney	3	4(1)(A)(b)	BRA	1,500	226.45
		4(1)(A)(b)	BRA		
		10(1)(a)	HBCA		
PGC Fabrications Pty Ltd	2	4(1)(a)(ii)	HBCA	700	287.95
		10(1)(a)	HBCA		
Patrick Edmund Augustine	2	4(1)(a)(ii)	HBCA	700	243.95
		10(1)(a)	HBCA		
TOTAL				61,000	9,106.56

*BRA = *Builders' Registration Act 1939*; HBCA = *Home Building Contracts Act 1991*;
IA = *Interpretation Act 1984*

⁺ offence being prosecuted.

Building Inspections

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

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

In 2010/11, the Board carried out 509 building inspections. Of these:

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

Of the 92 random inspections conducted, 62 reports were issued to builders requesting details of the remedial work that was or will be undertaken. Failure by a builder to action the items identified may result in the issue of an order to remedy unsatisfactory building work in accordance with section 12A of the *Builders' Registration Act 1939*. There were no orders to remedy issued as a result of an inspection during the reporting period.

In 2010/11, Board inspectors assessed approximately 5,708 workmanship items whilst carrying out inspections in relation to complaints lodged with the Building Disputes Tribunal. These are set out in the table below:

COMPLAINT ITEM ASSESSED BY BOARD INSPECTORS	2009/10 (%)	2010/11 (%)
Brickwork	5.2	6.1
Ceiling	9.0	8.3
Ceiling and roof frame	5.1	4.0
Concrete paving	1.5	3.5
Doors and windows	8.4	8.9
Earth footings	1.3	1.6
Fixing and joinery	8.5	6.9
Flashings	5.0	5.8
House site cleaning	0.9	1.3
Painting	7.0	8.1
Plumbing	4.5	6.3
Roof cover	7.0	6.3
Slab floor	4.7	3.7
Solid plastering	10.2	8.5
Swimming pool	0.7	1.6
Termites	0.2	0.6
Timber floor	3.6	2.7
Wall and floor tiling	8.0	7.6
Wall frame	1.3	1.5
Water ingress and egress	7.9	6.7
TOTAL	100	100

Dispute Resolution

Key Activities

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

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

The Building Disputes Tribunal

FOI/5

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

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

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

Building Disputes Tribunal Members

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

In June 2010, Mr John Hockley, a legal practitioner, was appointed as Chairperson of the Building Disputes Tribunal and the Board. There are nine Deputy Chairpersons who are also legal practitioners, 11 consumer representatives, 12 nominees from the Housing Industry Association and 10 nominees from the Master Builders Association.

Complaints Lodged with the Building Disputes Tribunal

In 2010/11, there were 852 complaints lodged with the Building Disputes Tribunal under the categories set out below:

CATEGORY OF COMPLAINT	2009/10	2010/11	PERCENTAGE CHANGE
Workmanship	629	608	-3.34
Contractual	90	119	+32.22
Workmanship & Contractual	109	125	+14.68
TOTAL	828	852	+2.90

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	2009/10	2010/11	PERCENTAGE CHANGE
Registered Builders	556	545	-1.98
Unregistered Persons/Entities	227	245	+7.93
Owners	29	51	+75.86
Owner-Builders	16	11	-31.25
TOTAL	828	852	+2.90

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

TYPE OF BUILDING WORK	2009/10	2010/11	PERCENTAGE CHANGE
New Home	472	445	-5.72
Additions	78	60	-23.08
Commercial	5	6	+20.00
Renovations/Trades	147	179	+21.77
Landscaping	7	19	+171.43
Patios & Pergolas	35	46	+31.43
Swimming Pools & Spas	26	35	+34.62
Other	58	62	+6.90
TOTAL	828	852	+2.90

Orders Made by the Building Disputes Tribunal

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

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

The Building Disputes Tribunal made 504 orders in 2010/11, comprising 295 orders to remedy and 209 orders to pay. Of these, 165 matters were determined under delegation. Details of all orders made are provided in the following table:

ORDERS MADE BY THE BUILDING DISPUTES TRIBUNAL	2009/10	2010/11
Orders to Remedy (Tribunal)	105	131
Orders to Remedy (under delegation)	205	164
Orders to Pay (Tribunal)	189	208
Orders to Pay (under delegation)	0	1
TOTAL	499	504

In addition to the orders listed above, the Building Disputes Tribunal made 588 other decisions, including dismissals, adjournments, directions and determinations on whether it has the jurisdiction to hear particular cases.

Value of Orders to Pay Made by the Building Disputes Tribunal

The values of the orders made by the Building Disputes Tribunal in 2010/11 were as follows:

VALUE OF ORDERS TO PAY	2009/10 \$	2010/11 \$
Issued by Disputes Tribunal	2,511,002	2,283,668
Issued under Delegation	0	234
<i>Allocation</i>		
Owner to Pay Builder	339,997	310,867
Builder to Pay Owner	2,171,005	1,973,035

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 2010/11, the Building Disputes Tribunal was requested to provide written reasons for decision in 61 matters.

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

Sittings

FOI/5

In 2010/11, the Building Disputes Tribunal sat on 368 occasions to hear 875 matters. These included 431 preliminary/direction/jurisdiction hearings and 149 part-heard hearings resulting from adjournments. Twenty nine cases were referred for mediation.

Ratio of Complaints to Building Licences Approved

In 2010/11, the proportion of complaints lodged with the Building Disputes Tribunal to the number of building approvals issued by local governments in Western Australia decreased from the previous period.

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

COMPLAINTS/BUILDING LICENCES APPROVED	2008/09	2009/10	2010/11
Building Licences *	19,336	25,117	20,857
Complaints	799	828	852
Ratio	1:24	1:30	1:24

**Total dwelling units approved, including new and extensions/additions
 (Source: Australian Bureau of Statistics Building Approvals June 2011)*

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 2010/11, the Board spent \$1,350,594 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	6,588
Complaint Fees	25,088
Tribunal Costs	0
Total	31,676
EXPENDITURE	\$
Disputes Tribunal Hearing Fees	784,531
Employee Costs	555,585
Tape Transcription	8,600
Office Support Costs	1,877
Total	1,350,594

Education and Awareness

Key Activities

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

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

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

During 2010/11, the Board's objective to raise community and industry awareness of its services, and the requirements of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991*, was met by carrying out the following activities:

Stakeholder Education

In 2010/11, the Board continued to provide information to businesses that carry out building or associated building work that had registered a business name with the Department of Commerce. The Board sent 2,530 information packs to business owners containing the Board's publications *So You Want To Be a Builder?* and *The Home Building Contracts Act*.

In addition, the Board sent letters and information packs regarding requirements of the *Builders' Registration Act 1939* and the *Home Building Contracts Act 1991* to the following stakeholder groups:

- Building Inspectors, 80 information packs
- Interior Designers, 174 information packs
- Attic and Loft Renovators, 13 information packs
- Roofing Contractors, 327 information packs
- Local Government Handbook, 122 handbooks

The Board held four Builders' Registration Seminars for anyone considering applying for builders' registration. The seminars provided information about the application process and assisted applicants in preparing their application to the Board. Approximately 200 people attended the seminars held in August 2010, October 2010, February 2011 and April 2011.

Marketing

The Board continued to increase awareness and promote its services in 2010/11 by carrying out the following marketing activities:

- Production and placement of prominent signage at Home Base Expo, Wembley.
- Promotion of the Board's eNewsletter to increase the number of subscribers.

Public Relations

In 2010/11, the Board took advantage of a number of opportunities to increase community awareness of its functions by contributing articles to the following publications:

- Australian Institute of Waterproofing newsletter April 2011
- Cabinet Makers Association Tradeshow Journal
- Master Builders – Journal of the Master Builders Association of Western Australia
- MBA Excellence in Construction Awards 2010 brochure
- MBA A-Z Building Directory (online)
- Landscape Industry Association of Western Australia newsletter
- Housing Industry Association e-newsletter

The Board also issued the following media releases:

- "Builder Who Allegedly Took Consumer Deposits Without Insurance Suspended" – December 2010
- "Dodgy Patio Installer Caught Fair and Square" – March 2011
- "BRB Takes Action Against 20*20" – May 2011

Exhibitions

In 2010/11, the Board participated at the following industry/consumer exhibitions in both metropolitan and regional areas:

- RadioWest (Bunbury) Home Show, August 2010
- Cabinetmakers Association Trade Show, September 2010
- Austral Bricks Spring Home Show, October 2010
- DesignBUILD Trade Show, November 2010
- HomeBase Expo Expo, February 2011
- Ideal Home Show, March 2011
- North West Expo (Broome), May 2011
- Master Builders Association Home and Sustainability Show, June 2011

The Board received 650 enquiries from visitors to the exhibits, of which 39 per cent related to owner-builders. Information and publications were made available to increase community awareness of the Board and its services.

Publications

FOI/7a

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

In February 2011, the Board released the *Building Trades Guide*, a new publication which outlines the legislative requirements of building contractors when entering into contracts with home owners, the requirement for registration, an overview of building codes and standards, and information on resolving building disputes. The guide was distributed to seventy five organisations in WA including educational and training institutions, industry associations, and Small Business Development Corporation offices, and was made available to download from the Board's website.

The Board's publications and their distribution during 2010/11 is listed below:

- Thinking of Building or Renovating Your Home? (3,107 copies)
- Resolving Building Disputes (2,709 copies)
- The Home Building Contracts Act (5,548 copies)
- So You Want to be a Builder? (4,818 copies)
- Site Investigations (805 copies)
- Registered Builders' Guide (804 copies)
- Building Trades Guide (2,127 copies)

A total 19,918 copies of the Board's publications were distributed to stakeholders such as industry associations, local government, education providers, members of Parliament, community legal services and the Small Business Development Corporation. Copies were also made available at consumer and industry exhibitions and from the Board and Building Dispute Tribunal reception areas.

The Board revised and updated the registration application forms and the associated explanatory notes for all categories of registration.

Each issue of Board's quarterly newsletter and e-newsletter was distributed to approximately 6,700 recipients, including builders, local government, and industry and consumer associations. Promotion of the e-newsletter throughout 2010/11 resulted in a 4.4 per cent increase in the number of online subscribers

The Board's Register of Builders is published daily in PDF format on the Board's website. The Register can also be purchased from the Board in excel format. Throughout 2010/11, 18 Registers in excel format were purchased on a one-off basis, and monthly Register additions and deletions were provided to two organisations.

Information Seminars

In 2010/11, the Board presented information to the following stakeholders:

- Local government building services staff (21 seminars held in metropolitan and regional areas, reaching 34 local governments)
- Karratha building industry representatives
- Port Hedland building industry representatives
- Broome building industry representatives
- Managers, supervisors and staff from five building companies
- Diploma of Project Management students
- Applicants for Registration

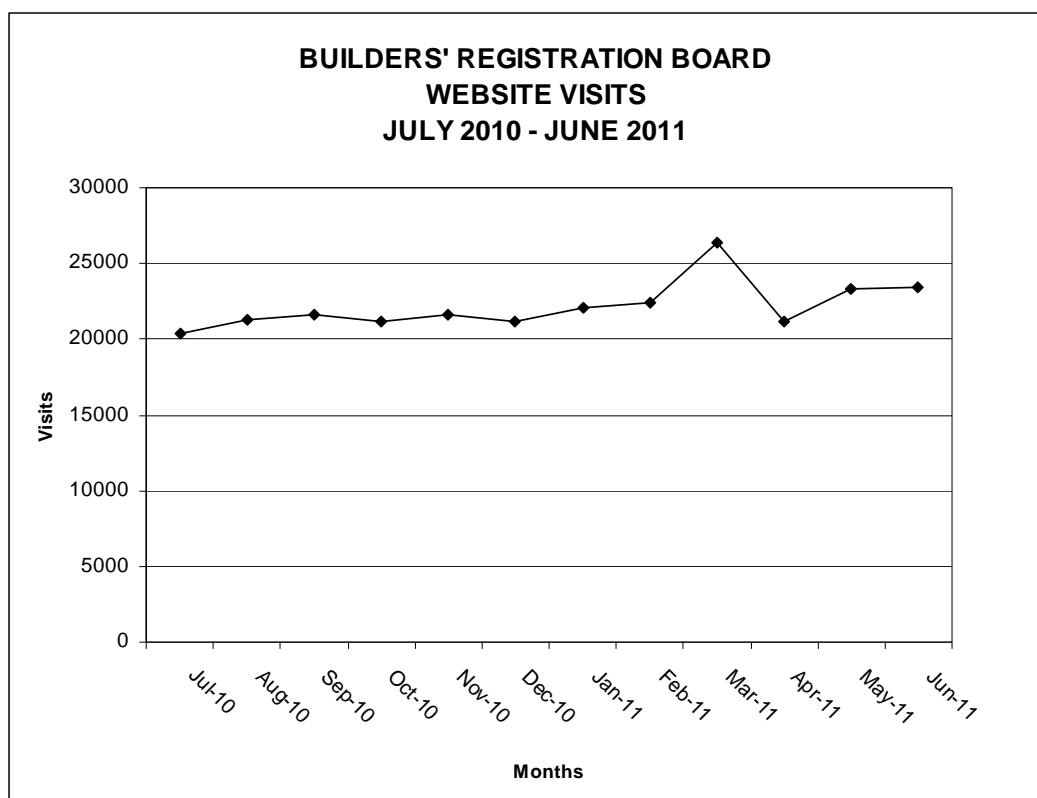
Websites

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

In 2010/11, the Board maintained all website content and continued to review and improve information and website services. Improvements to the Board's website included:

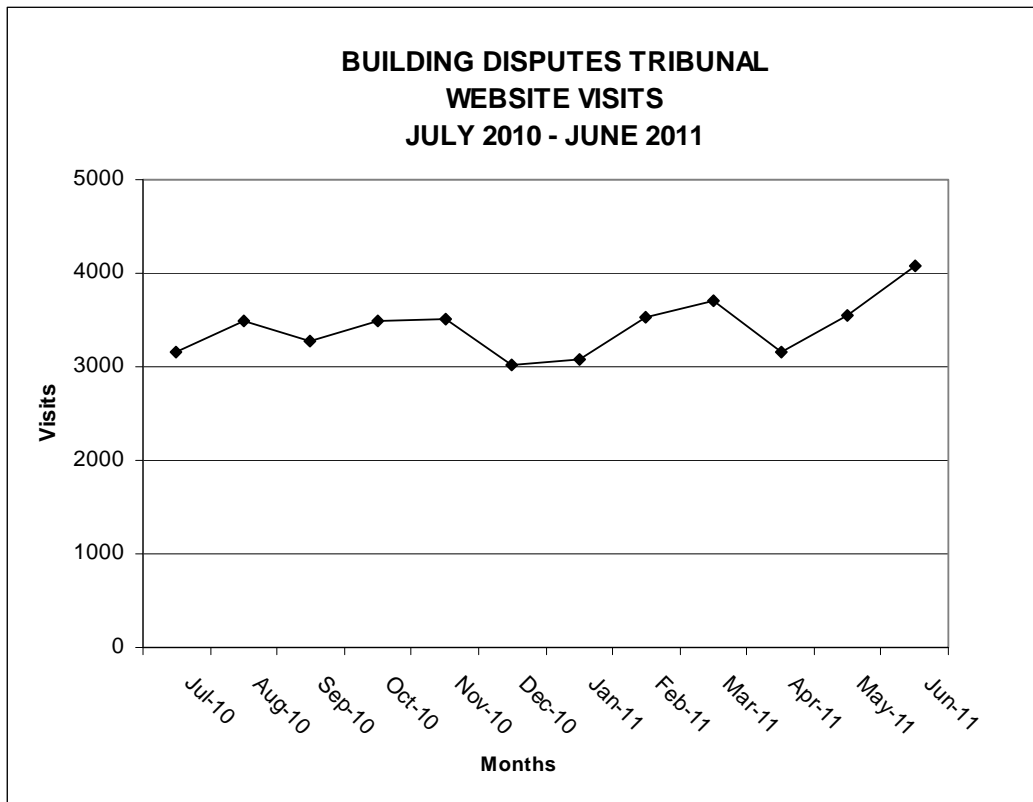
- a new page for consumers regarding Financial Concerns about Builders
- a new page for builders and owner-builders about the requirement to display a sign on building sites
- redesign of the Newsletters page to provide a content list for each edition
- a new menu for Home Indemnity Insurance information
- review and update of application explanatory notes relating to each category of registration
- new information about upcoming legislation reform

During 2010/11, the Board's website received 272,197 visits, averaging 22,683 visits per month. This represented an increase of 16 per cent from the previous reporting period.



The most popular download from the Board website was the Register of Builders, which was accessed 22,138 times.

In 2010/11 the Building Disputes Tribunal website received 42,720 visits, averaging 3,560 visits per month. This represents an increase of 24 per cent from the previous reporting period.



The most popular download from the Building Disputes Tribunal website was previous reasons for decision. During the reporting period 13,091 reasons for decision were downloaded.

In 2010/11, the Board maintained content on the Building Disputes Tribunal website and continued to review and improve information and website services. Changes to the website included the addition of information regarding independent inspections as well as information about the upcoming changes to building legislation.

Sponsorships and Awards

In 2010/11, the Board supported high standards in building work, contract management and customer service by the sponsorship of the following industry awards and services:

- MBA Excellence in Construction Awards 2010 – Best Historic Restoration or Renovation
- MBA Winning Homes Western Australia – Excellence in Building Practice
- Eight Home Base Expo Owner-Builder Seminars
- As-Built Learning Exchange (ABLE)

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.

In 2010/11, the total number of dwelling units approved in Western Australia was 20,857*, a decrease of 17 per cent from 25,117 approved in 2009/10. The fall in building approvals is in line with a national decline of 13.5 per cent for the reporting period.

Registration

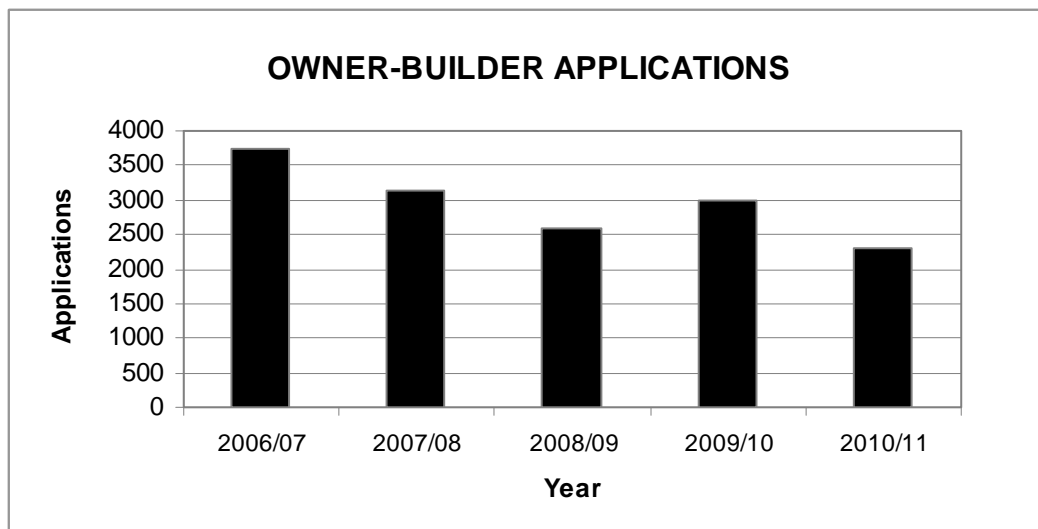
The Board has seen an upward trend in the number of applications for registration received during the reporting period, from 525 in 2009/10 to 585 in 2010/11.

During 2010/11, applications received for partnership registration increased by 29 per cent on the previous year and applications for company registration increased by 23 per cent, while applications for registration as an individual declined by 25 per cent.

Owner-Builder Activity

In 2010/11, the Board processed 2,295 owner-builder certificates, representing a decrease of 23 per cent on the previous reporting period.

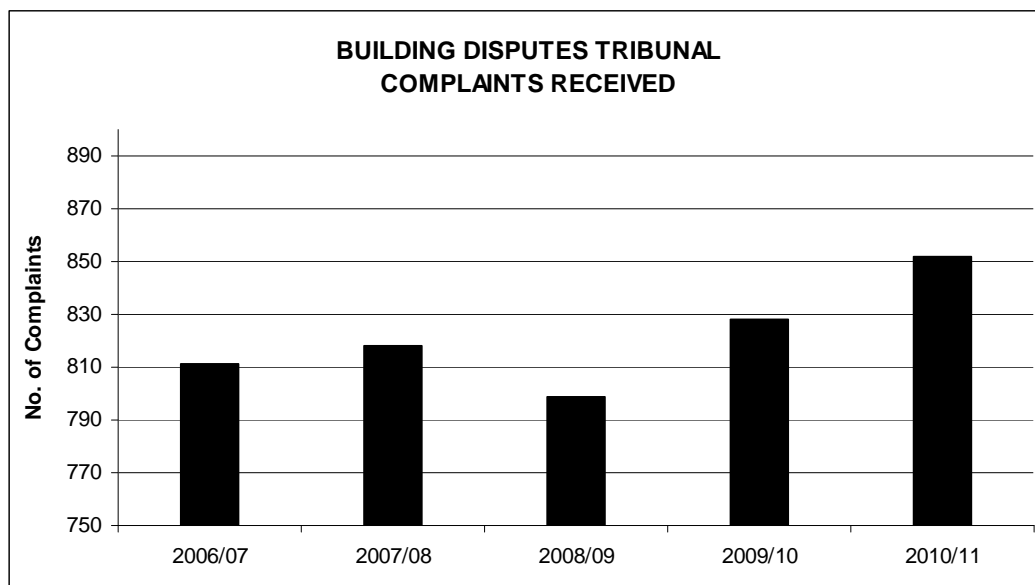
The number of owner-builder applications received over the past five years is shown below:



* (Source: Australian Bureau of Statistics – Building Approvals Australia June 2011)

Dispute Resolution

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



While the chart above shows that there has been an increase in the number of complaints received by the Building Disputes Tribunal, the number of items per workmanship complaint has remained steady. The increased demand has affected the time taken for inspections and time required to compile notices of assessments, placing pressure on the Board's building inspectorate.

Changes in Written Law

In 2010/11, the second appendix (Schedule of Fees) in the *Builders' Registration Regulations* was amended to provide for an increase in the Board's fees and charges. The fees and charges, which increased by an average of 2.5 per cent, relate to annual registration fees, application fees, owner-builder fees, charges for certificates and hard copies of the register of builders and was in line with the Consumer Price Index increase.

Likely Developments and Forecast of Operations

Building Commission

The Building Commission, a new division of the Department of Commerce is implementing reforms of current building legislation.

The reforms consist of four interdependent Acts which have been passed by Parliament and are due to commence in the near future. These are the *Building Services (Registration) Act 2011*, the *Building Services (Complaint Resolution and Administration) Act 2011*, *Building Services Levy Act 2011* and the *Building Act 2011*.

The *Building Services (Registration) Act 2011* establishes practitioner registration and provides a flexible framework for the registration and regulation of building service providers. Initially it cover builders, painters and building surveyors, and the approval of owner-builders. The Act also establishes a new Building Services Board.

The *Building Services (Complaint Resolution and Administration) Act 2011* offers consumers and industry a wider dispute resolution process and empowers the Building Commission to deal with complaints relating to the registration of a building services provider, the carrying out of work by an unregistered building services provider, the quality of registered work, and Home Building Work Contract complaints.

The *Building Services Levy Act 2011* provides for a levy to be imposed on persons to whom permits and building approval certificates are granted under the *Building Act 2011*. The levy is used to fund the operations of the Building Commission in its role as regulator of the building industry in Western Australia.

The *Building Act 2011* replaces the *Building Regulations 1989* and those parts of the *Local Government (Miscellaneous Provisions) Act 1960* that deal with building matters. It covers building work in the whole State of Western Australia and aims to streamline the building approvals process through private certification, whilst retaining Local Government as the primary administrator of building licences and certification.

National Licensing

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

The National Occupational Licensing Authority was established on 1 January 2011 to administer the National Occupational Licensing System which will maintain a national register of builders and enable licensed builders in Western Australia to be licensed in all States or Territories.

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

DISCLOSURES AND LEGAL COMPLIANCE

Financial Statements

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

Bentleys was appointed and approved to audit the 2010/11 accounts.

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

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

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

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 2010/11, one complaint was investigated by the State Ombudsman.

Ministerial Directives

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

Capital Works

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

OTHER LEGAL REQUIREMENTS

Other Key Legislation

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

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

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

Advertising

In compliance with section 175ZE of the *Electoral Act 1907*, the Board reports that during 2010/11 it incurred no expenditure with media advertising organisations.

Disability Access and Inclusion Plan

In compliance with section 29 of the *Disability Services Act 1993*, the Board provides people with disabilities equal opportunity to access the services of the Board. The Board provides persons with disabilities the same level and quality of service as it does other people, including the opportunity to make a complaint, and the inclusion of all persons when seeking public or industry consultation.

The Board's website has been designed in accordance with the content accessibility guidelines set out in the Government's Guidelines for State Government Websites to minimise the barriers faced by people with disabilities.

The Board's accommodation at Level 1, 31 Troode Street, West Perth, is also the premises of the Painters' Registration Board, the Plumbers Licensing Board and the Building Commission, a division of the Department of Commerce. The building provides for disability access and facilities. A reception area is located on the first floor with ramp access to the foyer area and lifts to the first floor. Temporary parking is provided directly in front of the building to enable wheelchair access and disabled toilet facilities are accessible.

A Disability Access and Inclusion Plan will be developed by the Department of Commerce in 2011 which will include the Troode Street premises.

However, the Building Disputes Tribunal and staff continue to operate from 18 Harvest Terrace. The accommodation at Harvest Terrace is located on the ground level, providing disability access and parking to enable wheelchair access. The building does not provide disabled toilet facilities.

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 2010/11.

The Board's Staff Code of Conduct reflects the Western Australian Public Sector Code of Ethics, setting out the conduct and behaviour expected of all employees. Additional Codes of Conduct have also been developed for staff in roles of high risk to conflicts of interest, misuse of resources or corruption and misconduct.

During 2010/11, there were no claims of a breach of the Public Sector Standards and the Western Australian Public Sector Code of Ethics.

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

Recordkeeping Plan

The Board's Recordkeeping Plan (RPK 2010014) was reviewed and approved by the State Records Office on 7 April 2010 as complying with the *State Records Act 2000*. The plan demonstrated progress toward better practice recordkeeping and compliance with the minimum requirements of SRC Standard 2: Recordkeeping Plans and SRC Standard 6: Outsourcing.

In accordance with section 28 of the *State Records Act 2000*, the Board's plan is to be reviewed within five years of its approval date and a report of the review submitted to the State Records Office by 7 April 2015.

The efficiency and effectiveness of the Board's recordkeeping systems were assessed as part of the review of the plan and found to be either effective or very good.

The Board's recordkeeping training program consists of an induction program for all existing and new staff, mandatory training in the Board's records management system (Synergy), regular communication regarding any recordkeeping issues and regular meetings of information management staff to identify and develop strategies to address issues.

The Board's induction program addresses employee roles and responsibilities in regard to their compliance with the recordkeeping plan. All staff when initially trained in the Board's recordkeeping procedures and policies are informed of their responsibilities under the *State Records Act 2000*.

The policy and procedures documents/manuals for records management, as well as the Records Keeping Plan and the Retention and Disposal Authorities, are available to all staff on the Board's intranet.

Freedom of Information

FOI/8

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

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

Applications and enquiries are directed to:

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

Applications

The Board received four Freedom of Information applications in 2010/11. Of these, one applicant was provided with the requested documents, one matter was closed as the applicant failed to provide required information, one application was withdrawn and one application is still pending.

Charges

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	\$30.00
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 per cent.

Deposits

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

Access Arrangements

FOI/8

Access to documents is granted through inspection, by providing:

- a) a copy of a document, an audio or video tape, computer disk;
- b) a transcript of a recorded hearing, shorthand or an encoded document from which words can be reproduced; and
- c) where the information is stored electronically, mechanically or magnetically, a written expression of the information in the form in which it is commonly available in the agency, or if there is no such common form, then in a form no less comprehensible than could be made available to the persons in the agency.

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:

Publications:

- Quarterly newsletter
- Annual report

Pamphlets (at no charge):

- So You Want to be a Builder?
- Registered Builders' Guide
- Thinking of Building or Renovating Your Own Home?
- Resolving Building Disputes
- A Guide to Lodging a Complaint
- Site Investigations
- The Home Building Contracts Act
- Building Trades Guide

Internal documents available on written request:

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

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

GOVERNMENT POLICY REQUIREMENTS

Substantive Equality

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

Occupational Safety, Health and Injury Management

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

Statement of Commitment

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

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

Formal Mechanisms

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

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

Statement of Compliance with Injury Management Requirements

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

Statement Confirming Self-evaluation

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

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

- Safety and health guidelines, procedures and policies
- Consultative mechanisms
- Training and induction program

- Regular workplace inspections
- Incident reporting and investigation
- Data collection, analysis/record keeping and reporting
- Emergency procedures
- Injury management
- Regular monitoring and evaluation of performance to ensure continuous improvement
- Processes to manage specific hazards and work organisational issues
- Audit checklist used when carrying out inspections
- Promotion and information of Occupational Safety and Health requirements
- Targets and performance indicators to measure process

Report on Performance

In 2010/11, the Board had no fatalities and one 'lost time due to injury/diseases' claim.

INDICATOR	TARGET	PERFORMANCE
Number of fatalities	0	0
Lost time injury/disease incidence rate	0	1
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within 28 weeks	100%	100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	> or = 50%	>50%

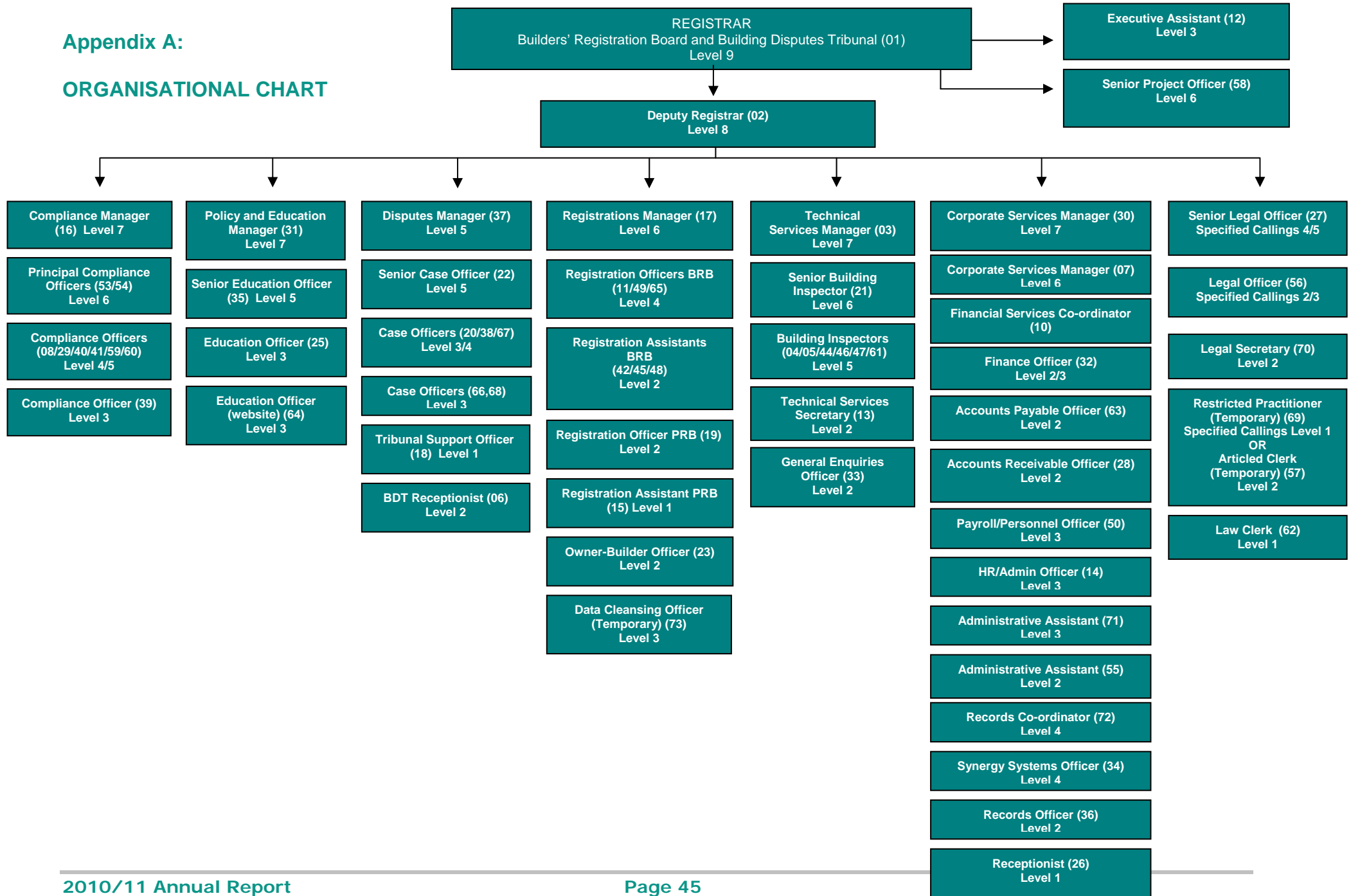
The Board is committed to maintaining a safe and healthy work environment and aims to reach the following targets in 2011/12:

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

APPENDICES

Appendix A:

ORGANISATIONAL CHART



Appendix B: FINANCIAL STATEMENTS


Statement on Finances

The Board originally budgeted for a 2010/11 operating surplus of \$1,770,024 which included an expected \$4.9m in revenue from the sale of its Harvest Terrace units. In February this year the budget was revised to an operating deficit of \$4,099,043 primarily due to a change in the classification of the expected Harvest Terrace sales proceeds from being an operating revenue item to a balance sheet item. The revised budget also reflected the following expectations;

1	Realised loss on sale of three units in Harvest Terrace.	\$837,208
2	Cost of sale of Harvest Terrace units.	\$50,600
3	Reduction to depreciation resulting from the sale of Harvest Terrace units.	(\$166,910)
4	Increased security costs for remaining occupants at Harvest Terrace units.	\$50,670
5	General increase in staffing costs.	\$138,245
6	Net increase in BDT running costs.	\$20,402
7	Miscellaneous expected increases.	\$36,852
		<u>\$967,067</u>
	Original Budgeted Surplus	\$1,770,024
	Adjusted Budget Surplus	<u>\$802,957</u>
	Less re-classification of budgeted revenue from sale of property at Harvest Terrace.	\$4,902,000
	Resulting Budgeted Deficit	<u>\$4,099,043</u>

The resulting financial outcome for 2010/11 is an operating deficit of \$3,597,988 against the budgeted deficit of \$4,099,043. The budgeted deficit was increased during the year by the following items;

1	Severance payouts for Corporate Services Staff.	\$201,543
2	Severance payouts for Executive Staff.	\$250,642
3	One off additional salary payments for the loss of use of government vehicle - Technical Staff	\$223,122
4	One off additional salary payments for the loss of use of government vehicle - Executive Staff	\$125,489
5	Write off of fixed assets to comply with Department of Commerce policy.	\$235,423
6	Additional payroll and fringe benefit taxes associated with severance payouts.	\$73,000
7	Budget overspend relating to Troode Street utility costs.	\$45,000
8	Miscellaneous budget over spends.	\$109,035
		<u>\$1,263,254</u>
	Budgeted Operating Deficit	\$4,099,043
	Adjusted Operating Deficit	<u>\$5,362,297</u>
	Less re-classification of budgeted fit-out cost contribution from the profit and loss to the balance sheet.	\$1,764,309
	Final Actual Operating Deficit	<u>\$3,597,988</u>


.....
Peter Gow

BUILDING COMMISSIONER

Dated this 6th day of October 2011

**Statement by Building Commissioner for the period
1 July 2010 to 30 June 2011**

In the opinion of the Building Commissioner, the financial statements as set out on pages 50 to 59:

1. Presents fairly the financial position of the Builders' Registration Board of Western Australia as at 30 June 2011 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.

The last day of formal operations of the Builders' Registration Board of Western Australia was Sunday 28 August 2011. On Monday 29 August the *Building Services (Registration) Act 2011* came into operation which amongst other things transferred all staff and functions of the Builders' and Painters' Registration Boards to the Department of Commerce. A final report covering the last two months' operations of the Builders' Registration Board will be signed off by the Building Commissioner and presented to the Minister for Commerce by December 1, 2011.



Peter Gow
BUILDING COMMISSIONER

Dated this 6th day of October 2011

Independent Auditor's Report

To the Minister for Commerce of The Builders' Registration Board

We have audited the accompanying financial report, being a special purpose financial report, of The Builders' Registration Board, which comprises the balance sheet as at 30 June 2011, the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Building Commissioner.

Boards' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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Independent Audit Report

To the Members of Builders' Registration Board of WA (Continued)



Basis for Qualified Auditor's Opinion

Completeness of Income

It is not practicable for the Builders Registration Board to maintain an effective system of internal control over the completeness of building license levies per Note 1(f) and accordingly it is not possible for our examination to include audit procedures to extend beyond the amounts of receipts for this income recorded in the accounting records of the Building Registration Board.

Qualified Auditor's Opinion

In our opinion, except for the matter described in the qualification paragraph above, the financial report of The Builders' Registration Board presents fairly, in all material respects the financial position of the Builders' Registration Board as of 30 June 2011 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and under section 23(1) of the Builders' Registration Act 1939 (as amended).

BENTLEYS
Chartered Accountants

CHRIS WATTS
Director

DATED at PERTH this 28th day of September 2011

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**INCOME STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011**

	Notes	12 months to 30 June 2011 \$	12 months to 30 June 2010 \$
Income			
Annual registration fees		3,098,126	2,901,622
Administration income	1(e)	23,227	32,093
Application fees		156,102	132,898
Arrears and penalties		1,625	2,500
Building Disputes Tribunal recoveries		31,676	41,948
Building licence levy	1(f)	2,477,233	2,713,940
Certificate fees		14,608	13,202
Fitness and competency assessments		21,419	16,576
Interest on investments		135,844	83,041
Infringements		5,614	3,730
Other Income		17,853	19,198
Owner builder levy - residential		266,923	323,873
Owner builder levy - commercial		11,074	5,031
Prosecutions recoveries - Court		107,418	109,094
PRB Salaries support charge		284,731	297,270
SAT recoveries		11,554	14,363
Total Income		6,665,027	6,710,379
Expenditure			
Advertising and promotion		26,141	32,355
Annual leave	1(d)	95,909	(59,490)
Annual awards/sponsorship		42,333	39,310
Assessments		16,965	17,131
Audit expenses		15,460	12,740
Bad debts		21,397	72,441
Bank charges		27,573	24,169
Board members' fees		107,005	108,081
Building Disputes Tribunal fees		784,531	723,468
Building licence levies-collection costs		307,523	339,483
Computer expenses		149,251	124,922
Consultants fees		19,277	17,679
Consultants inspectors		8,730	1,732

The accompanying notes form part of this financial statement

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**INCOME STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011**

	Notes	12 months to 30 June 2011	12 months to 30 June 2010
		\$	\$
Expenditure (cont....)			
Depreciation		126,223	429,134
Doubtful debts		56,853	33,304
Fringe benefit tax		70,337	75,774
Insurance premiums		21,711	26,849
Legal expenses		7,363	11,989
Legal - advice and representation		22,797	10,538
Long service leave		81,513	89,680
Loss on sale of fixed assets		908,041	154,162
Memberships		909	2,414
Motor vehicle expenses		137,596	132,605
General / Office expenses		32,339	38,897
Payroll tax		290,064	208,072
Parking levy		44,135	40,411
Photocopier expenses		52,015	56,450
Postage and courier charges		47,348	42,933
Printing and stationery		28,063	62,479
Rates, cleaning and electricity		321,421	192,526
Redundancy		315,271	0
Rent		446,623	392,581
Repairs and maintenance		9,869	6,305
Salaries - Staff		4,752,933	3,938,355
Salaries - Agency		41,872	20,063
Social business expenses		4,502	3,714
Staff training expenses		16,868	32,934
Subscriptions		23,696	10,132
Superannuation contributions		499,615	417,054
Telephone		27,554	35,394
Transcription		8,600	23,119
Travelling and accommodation		9,366	7,176
Write off of fixed assets		235,423	74,400
Total Expenditure		10,263,015	8,023,465
Operating Deficit		(3,597,988)	(1,313,086)

The accompanying notes form part of this financial statement

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**BALANCE SHEET
AS AT 30 JUNE 2011**

	Notes	30 June 2011 \$	30 June 2010 \$
Current assets			
Cash	9(a)	3,309,563	2,163,417
Receivables	2	540,043	511,412
Interest accrued		-	20,624
Prepayments		17,237	30,708
		<u>3,866,843</u>	<u>2,726,161</u>
Non-current assets held for sale	3	2,163,369	3,137,280
Total current assets		6,030,212	5,863,441
Non-current assets			
Property, plant and equipment	4	34,639	3,435,466
Intangible asset	5	-	14,206
Total non-current assets		34,639	3,449,672
TOTAL ASSETS		6,064,851	9,313,113
Current liabilities			
Payables		994,071	181,707
Income in advance		1,510,005	1,414,132
Accrued expenses		1,733,481	123,586
Provision for employee entitlements	6	938,311	536,804
Total current liabilities		5,175,868	2,256,229
Non-current liabilities			
Provision for employee entitlements	6	408,244	310,848
Total non-current liabilities		408,244	310,848
TOTAL LIABILITIES		5,584,112	2,567,077
NET ASSETS		480,739	6,746,036
BOARD FUNDS & RESERVES			
Accumulated funds	7	(2,056,261)	331,010
Asset revaluation reserve	8	2,537,000	6,415,026
TOTAL BOARD FUNDS & RESERVES		480,739	6,746,036

The accompanying notes form part of this financial statement.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011**

	Notes	12 months to 30 June 2011 \$	12 months to 30 June 2010 \$
Cash flows from operating activities			
Receipts from Registered Builders		3,201,415	2,993,495
Building licence and owner-builder levies		2,427,868	2,677,600
Payments to suppliers and employees		(5,776,779)	(6,992,710)
Receipts of administration fee income		23,227	32,093
Interest received		156,468	73,507
Prosecution, inquiry and infringement monies received		115,982	139,929
Other receipts		483,734	488,146
Net cash flow provided by operating activities	9(b)	631,915	(587,940)
Cash flows from investing activities			
Proceeds on sale of plant and equipment		35,483	0
Proceeds from sale of property		2,975,026	602,319
Proceeds on purchase of plant and equipment		289,594	239,038
Payments on purchase of plant and equipment		(1,021,563)	(203,001)
Payments on contribution for fit-out		(1,764,309)	-
Net cash used in investing activities		514,231	638,356
Net increase/(decrease) in cash held		1,146,146	50,416
Cash at the beginning of the financial year		2,163,417	2,113,001
Cash at the end of the financial year	9(a)	3,309,563	2,163,417

The accompanying notes form part of this financial statement

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011

NOTE 1 ACCOUNTING METHODS AND POLICIES

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

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

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

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

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

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

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011**

(a) Depreciation/Amortisation

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

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

(b) Revaluation of non-current assets

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

(c) Income Tax

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

(d) Employee Entitlements

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

(e) Administration Income

Administration income relates to recouped charges from the Painters' Registration Board for the use of stationery, telephone and computer maintenance which are provided and financed by the Builders' Registration Board of WA.

(f) Council Levies

Local Governments remit collected building licence levies with a reconciliation statement showing the number of licences issued per month. The Builders Registration Board only recognise the collected income when a reconciliation statement is received.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011

NOTE 2 RECEIVABLES

	30 June 2011	30 June 2010
	\$	\$
Registration fees	4,922	12,338
Prosecution/Inquiries	261,886	244,548
Infringements	170	280
Painters Registration Board	27,760	28,599
Building licence levy	306,128	286,289
Other	129,265	72,593
	<u>730,131</u>	<u>644,647</u>
Less: Provision for doubtful debts	(190,088)	(133,235)
	<u>540,043</u>	<u>511,412</u>

NOTE 3 NON-CURRENT ASSETS HELD FOR SALE

	30 June 2011	30 June 2010
	\$	\$
Premises at independent valuation	2,537,000	3,440,000
Less: Accumulated depreciation	(373,631)	(302,720)
	<u>2,163,369</u>	<u>3,137,280</u>

The Board is intending to sell the premises within the next 12 months.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011

NOTE 4 PROPERTY, PLANT & EQUIPMENT

	30 June 2011	30 June 2010
	\$	\$
Premises at independent valuation	-	3,440,000
Less: Accumulated depreciation	-	(302,720)
	<u>-</u>	<u>3,137,280</u>
Office furniture, fittings and equipment	25,534	76,305
Less: Accumulated depreciation	(23,256)	(50,164)
	<u>2,278</u>	<u>26,141</u>
Computer hardware and software	-	344,161
Less: Accumulated depreciation	-	(195,207)
	<u>-</u>	<u>148,954</u>
Office refurbishment	-	493,298
Less: Accumulated depreciation	-	(400,996)
	<u>-</u>	<u>92,302</u>
Motor vehicles	36,958	35,483
Less: Accumulated depreciation	(4,597)	(4,694)
	<u>32,361</u>	<u>30,789</u>
Total property, plant and equipment	<u><u>34,639</u></u>	<u><u>3,435,466</u></u>

In accordance with the Department of Commerce, all assets with a cost of \$5,000 or less were written-off during the year.

NOTE 5 INTANGIBLE ASSET

	30 June 2011	30 June 2010
	\$	\$
Information Technology - Website Design	-	54,529
Less: Accumulated amortisation	-	(40,323)
Total Intangible Asset	<u>-</u>	<u>14,206</u>

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011

NOTE 6 PROVISION FOR EMPLOYEE ENTITLEMENTS

	30 June 2011	30 June 2010
	\$	\$
Annual leave	351,244	253,106
Long service leave (current)	271,796	283,698
Long service leave (non-current)	408,244	310,848
Termination Payments	315,271	-
	<u>1,346,555</u>	<u>847,652</u>

An adjustment of \$81,641.42 is included within the Annual Leave entitlement to reflect an understatement of the 2009/2010 Annual Leave Liability.

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

NOTE 7 ACCUMULATED FUNDS

	30 June 2011	30 June 2010
	\$	\$
Balance at the beginning of the period	331,010	1,041,777
Realisation of asset revaluation reserve	2,975,026	602,319
Contribution for fit-out	(1,764,309)	-
Operating deficit for the period	<u>(3,597,988)</u>	<u>(1,313,086)</u>
Balance at the end of the period	<u>(2,056,261)</u>	<u>331,010</u>

Accumulated Funds for the year ended 30 June 2011 includes a deduction for the Board's contribution to the Department of Commerce for the fit out of the Troode Street premises co-occupied with the Building Commission division of the Department. It was decided to treat this item as a capital deduction rather than as the purchase of an asset given that the Board did not obtain legal ownership of a separate identifiable asset which could be capitalised and depreciated. The Department of Commerce has capitalised the entire cost of the fit out in its accounts.

NOTE 8 ASSET REVALUATION RESERVE

	30 June 2011	30 June 2010
	\$	\$
Balance at the beginning of the period	6,415,026	7,017,345
Revaluation of property, plant and equipment	(903,000)	-
Realisation of property, plant and equipment	<u>(2,975,026)</u>	<u>(602,319)</u>
Balance at the end of the period	<u>2,537,000</u>	<u>6,415,026</u>

During the financial year the Board sold three units, Lot 10,11 and 12 for \$2,975,026. The remaining three units, Lot 4,5 and 6 have therefore been revalued at 30 June 2011 to reflect market value.

BUILDERS' REGISTRATION BOARD OF WESTERN AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011

NOTE 9 NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of cash

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

	30 June 2011	30 June 2010
	\$	\$
Cash on hand	691	662
Cash at bank	<u>3,308,872</u>	<u>2,162,755</u>
	<u>3,309,563</u>	<u>2,163,417</u>

(b)

	30 June 2011	30 June 2010
	\$	\$
Operating deficit for the period	(3,597,988)	(1,313,086)
Non cash flows in operating surplus:		
- loss on sale of assets	1,081,180	213,349
- depreciation	126,225	429,133
- doubtful debts	56,853	33,304
Net movement in assets and liabilities:		
- increase in receivables	(85,484)	(53,620)
- decrease in prepayments	13,471	24,282
- decrease in interest accrued	20,624	(9,534)
- increase in sundry creditors	812,364	(47,298)
- increase in accrued expenses	1,609,893	42,414
- increase in income in advance	95,873	97,028
- increase in provision for employee entitlements	183,633	1,636
- increase in provision for employee redundancies	315,271	-
- increase in provision for superannuation for Board and Building Dispute Tribunal members	-	(5,548)
Net cash provided by operating activities	<u>631,915</u>	<u>(587,940)</u>

NOTE 10 EVENTS AFTER THE BALANCE SHEET DATE

The last day of formal operations of the Builders' Registration Board of Western Australia and the Painters' Registration Board was Sunday 28 August 2011. On Monday 29 August the *Building Services (Registration) Act 2011* came into operation which amongst other things transferred all staff and functions of the Builders' and Painters' Registration Boards to the Department of Commerce. A final report covering the last two months operations of the Builders Registration Board will be signed off by the Building Commissioner and presented to the Minister for Commerce by December 1, 2011.

Appendix C: INFORMATION STATEMENT

FREEDOM OF INFORMATION INDEX	PAGE/S	Foi
Index	60	FOI/1
Mission and Objectives	7	FOI/2
Legislation administered	2	FOI/3
Organisational structure	5	FOI/4
Decision making process	2,23,26	FOI/5
Public participation in the formulation of policy and performance of the Board's functions through consumer and industry representatives.	2	FOI/6
Documents held	13,25,29,39,40	FOI/7a
No charge – available outside FOI For purchase		
Operation of FOI: How applications are dealt with	38,39	FOI/8