



# BUILDING MONITOR ANNUAL ISSUES REPORT

/ JULY 2025

**BUILDING  
MONITOR**

**VICTORIA**  
State  
Government

# ACKNOWLEDGEMENT OF COUNTRY

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge, and wisdom has ensured the continuation of culture and traditional practices. We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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# CONTENTS

MESSAGE FROM THE BUILDING MONITOR.....	4
SUMMARY OF RECOMMENDATIONS.....	6
1. WHAT IS IN THIS ISSUES REPORT? .....	12
2. WHAT FRAMEWORK IS THE BUILDING MONITOR WORKING UNDER?.....	14
2.1. Why has a Building Monitor been appointed for Victoria?.....	15
2.2. What is the role of the Building Monitor?.....	15
2.3. What building reforms is the Victorian Government undertaking?.....	16
3. HOW IS THE BUILDING MONITOR ACHIEVING THE 2024-25 STRATEGIC PLAN?.....	18
4. WHAT IS THE CONSUMER EXPERIENCE OF THE DOMESTIC BUILDING SYSTEM? .....	22
4.1. How are consumers engaging in the building system?.....	23
4.2. What issues have consumers been experiencing?.....	24
4.3. How are these issues being addressed?.....	33
5. WHAT IS THE BUILDING MONITOR RECOMMENDING TO FURTHER IMPROVE OUTCOMES FOR CONSUMERS?.....	36
5.1. The domestic building regulatory framework has a strong consumer protection objective .....	39
5.2. Mandatory consideration of public interest and consumer harms in Victorian Civil and Administrative Tribunal and Building and Plumbing Commission decisions.....	40
5.3. Building and related cases are heard under a single Victorian Civil and Administrative Tribunal Division.....	42
5.4. Automatic stays of building decisions on appeal to the Victorian Civil and Administrative Tribunal are removed to reduce consumer harms.....	44
5.5. Domestic building contracts are easy to read and understand and there is a one-stop information resource for consumers .....	46
5.6. Complex plumbing systems in apartment buildings are safe and compliant.....	51
5.7. Mould prevention measures are implemented.....	54
5.8. Building surveyors are independent and act in the public interest.....	56
5.9. Independent oversight of work at multi-storey apartment building sites improves the safety and quality of housing.....	58
5.10. Builder registration delivers safe and compliant multi-storey apartment buildings.....	61
5.11. Trained and experienced building surveyors and inspectors are readily available.....	64
6. WHAT ARE THE NEXT STEPS FOR THE BUILDING MONITOR? .....	68
GLOSSARY AND ACRONYMS.....	70
APPENDICES .....	72
Appendix A.....	73
Appendix B.....	74
Appendix C.....	75
Appendix D.....	76
Appendix E.....	77
Appendix F.....	79
Appendix G.....	80
Appendix H.....	81
Appendix I.....	82



## MESSAGE FROM THE BUILDING MONITOR

Welcome to my annual report as the inaugural Building Monitor for Victoria.

I was appointed on 30 July 2024 to focus on ways of empowering consumers and improving domestic building consumer experiences of the Victorian domestic building system. I have engaged with and listened to domestic building consumers to make sure their interests and expectations are heard and understood.

As the building system consumer advocate, I provide advice and make recommendations for improvements to the building system on behalf of consumers.

This report explains my role as the Building Monitor and outlines the progress made towards meeting the Building Monitor's objectives and strategic initiatives. It also sets out the domestic building issues raised by consumers and proposed improvements designed to further increase consumer protections.

I have recently convened a Reference Group to give a formal voice to consumers. Members have lived experience of the domestic building system as individuals or as experts in supporting consumers. The Reference Group, which met for the first time on 28 July, will be an important source of information and advice going forward.

I have heard directly from the many consumers and their families who have experienced the significant negative personal and financial impacts of the poor performing building practitioners who are gaming the system.

Meetings with consumers, consumer advocacy groups, industry stakeholders and government agencies have assisted me to finalise the priority issues and to develop recommendations that will result in positive outcomes for consumers.



I would like to thank the consumers, industry, government and community stakeholders for sharing their time, experiences and expertise. Domestic building consumers with whom I have engaged have been generous with their time and their ability, despite their significant personal and financial trauma, to offer ideas for improvements to the building system.

One of my key functions is to collect and analyse information and data. Not only does this provide strong evidence of the issues facing consumers, but the data also helps me to understand how the domestic building system is performing. I have entered into arrangements with government agencies to source the data that is needed to get an accurate picture of the consumer journey.

The domestic building system is undergoing significant reform. Already this year, the Victorian Government has introduced new legislation and announced other reforms as a further step towards transforming the domestic building system to support consumers and deliver quality housing.

The newly created Building and Plumbing Commission brings together regulation, insurance and dispute resolution into a single agency. The Building and Plumbing Commission will also have additional powers including the power to issue rectification orders for up to 10 years after the issue of an occupancy permit. These reforms will create a stronger regulator, reduce delays and deliver compliant, quality buildings for consumers.

The recently passed Building Legislation Amendment (Buyer Protections) Act 2025 together with the creation of the Building and Plumbing Commission are game changing for consumers. The focus on consumer protection will restore consumer confidence and trust in Victoria's building industry.

Over the next year, the Building Monitor will continue to work with consumers, industry stakeholders, community and government agencies to identify further improvements and monitor the impact on the consumer experience of the implementation of the reform program.

**Angela Jurjevic**



## SUMMARY OF RECOMMENDATIONS

Recommendations that propose amendments to principal Acts, such as the *Building Act 1993*, and subordinate legislation, such as the Building Regulation 2018, include and apply to any replacement and successor legislation.

### **Theme 1: Domestic building laws are consumer focussed**

#### **The domestic building regulatory framework has a strong consumer protection objective**

Support work to develop a robust consumer protection objective, or objectives, to be inserted into the *Building Act 1993* to apply to all functions and decisions under the Act including those made by the Building and Plumbing Commission. Key elements of the objectives would be that consumers, and the public generally, are protected by compliant building and plumbing practices and effective remedies for defective, incomplete and non-compliant work, and that the domestic building system delivers quality homes that are well built, safe and support health and wellbeing.

#### **Mandatory consideration of public interest and consumer harms in Victorian Civil and Administrative Tribunal and Building and Plumbing Commission decisions**

Specify public interest as a matter that must be considered by the Victorian Civil and Administrative Tribunal in deciding stay applications for domestic building disciplinary matters, as is the case in New South Wales, Queensland and Western Australia.

See the interstate comparison in [Appendix D](#).



Prepare a Practice Note under the authority of section 158 of the *Victorian Civil and Administrative Tribunal Act 1998* to provide guidance on the nature and scope of public interest relating to building matters, including:

- The elements of public interest to be tested and measured with a focus on consumer harms including the potential for detriment and loss both financial and personal and the consequences of decisions for affected parties and the broader community;
- How to balance public interest against other criteria to be considered in stay and other hearings;
- The evidence needed to demonstrate a risk to public interest and to identify consumer harms; and
- The pattern of behaviour of a practitioner.

Consider requiring the same Victorian Civil and Administrative Tribunal member to be allocated to hearing a case from its initiation to conclusion, where possible.

Prepare guidelines for the Building and Plumbing Commission on public interest and consumer harms as set out in Recommendation 3 (a) to be applied when responding to stay applications and making decisions concerning prosecutions and disciplinary action.

### **Building and related cases are heard under a single Victorian Civil and Administrative Tribunal Division**

**Stage 1:** (as an Interim measure pending consideration of Stage 2): Support work to integrate the building elements of the Building and Property List, the Review and Regulation List, the Civil Claims List and the Owners Corporations List, and the Building Appeals Board into a single 'Division'.

**Stage 2:** Consider creating a Land, Building and Property Court, which would include the building elements of the Victorian Civil and Administrative Tribunal lists, the Building Appeals Board and the building cases List of the County Court.

## Automatic stays of decisions on appeal to the Victorian Civil and Administrative Tribunal are removed to reduce consumer harms

Remove the automatic stay of a Building and Plumbing Commission decision pending the outcome of an application to the Victorian Civil and Administrative Tribunal to review the decision and replace it with requirements:

- to apply for a stay;
- for a stay to be decided within 10 business days of the application being made, or a maximum of 28 days;
- for a stay to be deemed to be granted if it is not decided in that time;
- to allow for conditions to be applied to the practitioner's registration when considering a stay application, as appropriate; and
- to have decisions about stays made as interlocutory decisions.

Allow the Building and Plumbing Commission to make submissions and be heard in all applications to the Victorian Civil and Administrative Tribunal to stay a registration or disciplinary decision made under the *Building Act 1993*.

## Domestic building contracts are easy to read and understand and there is a one-stop information resource for consumers

When updating the model domestic building contract for new homes to include any amendments or changes arising from the Domestic Building Contracts Amendment Bill 2025, which is currently before Parliament, review and make the model domestic building contract more user friendly by:

- Simplifying the information, terms and conditions it contains;
- Improving the advisory and explanatory notes and warnings and applying them generally and specifically to consumers and to building practitioners, where relevant;
- Redesigning the form and layout of the model contract to make it easier to read and understand; and
- Providing online access to multilingual translations of the updated model contract.

The New South Wales standard contract for major domestic building work greater than \$10,000 provides a useful guide for reviewing and redesigning the model contract for Victoria.

Consider developing specific model contracts for minor domestic building work and for renovations and extensions. The Queensland and New South Wales suites of standard domestic building contracts would be a useful guide for this work.

Consider conducting a compliance inspection program of new domestic building contracts after 12 months of operation.

Support work underway by the Building and Plumbing Commission to implement Recommendation 7 part B (i) and (ii) of the Building Reform Expert Panel's Stage Two Report to:

- Establish a single, integrated portal including relevant practitioner details, registration classes, insurance coverage and claims, discipline history and outcomes and other relevant information; and
- Develop a consumer communications strategy detailing the importance of using registered practitioners, checking the portal and using domestic building contracts.

## **Theme 2: High, medium and low-rise domestic buildings are healthy and safe for owners and residents**

### **Complex plumbing systems in multi-storey apartment buildings are safe and compliant**

Encourage the Building and Plumbing Commission and the Department of Transport and Planning to prioritise and complete work on complex plumbing by 30 June 2027. This includes implementing the framework to strengthen consumer protection, regulatory oversight and accountability.

The Victorian Government's policy of building at increased densities, the extent of consultation and policy work that has been completed and the risks of not addressing complex plumbing, for multi-storey apartment buildings make implementation of complex plumbing reforms a priority.

Support work to update plumbing insurance and compliance certificate requirements by:

- Updating the Licensed Plumbers General Insurance Order 2002 as recommended in the PwC Australia 2020 report on plumbing insurance;
- Providing for a copy of a compliance certificate for plumbing work that is issued to an owner who is a developer be provided to the owners corporation before settlement;
- Amending the approved form of the compliance certificate to include the plumber's insurance policy number and contact details for the plumber's insurer; and
- Including copies of the compliance certificates for plumbing work in the Building Manual.

### **Mould prevention measures are implemented**

Support work by the Building and Plumbing Commission in partnership with building consumer advocacy organisations, industry associations and experts in waterproofing to conduct ongoing and targeted:

- Practitioner training that targets water ingress and waterproofing; and
- Consumer and practitioner awareness campaigns on moisture damage and mould growth risk.

Make prevention of moisture damage and mould growth a priority issue for provision of expert technical advice and guidance by the State Building Surveyor and for the monitoring of building and plumbing work, by collecting and analysing data, developing advice and recommending actions to be taken by industry and the Building and Plumbing Commission to address this issue.

### **Building surveyors are independent and act in the public interest**

To reduce the conflict of interest for building surveyors:

- Create metropolitan, regional and rural panels of experienced building surveyors accredited by the Building and Plumbing Commission and available as independent experts to the Building and Plumbing Commission, the Victorian Civil and Administrative Tribunal, the County Court and to consumers in line with the work commenced by the Building and Plumbing Commission to establish a Technical Advisory Services Register for the provision of Building Surveyor/Inspector Services;
- Publish details of the panels on the Building and Plumbing Commission's website;
- Promote the panels to domestic building consumers to select and appoint a building surveyor to oversee their building work; and
- Support and enhance the role of municipal building surveyors by considering the implementation of the recommendations of the 2025 report by Bronwyn Weir and Frances Hall, *Building Surveying Resources in Rural Victoria*, relating to municipal building surveyors.



### **Independent oversight of work at multi-storey apartment building sites improves the safety and quality of housing**

Prioritise work to require a clerk of works/site supervisor to be registered and consider mandating a clerk of work/site supervisor function for multi-storey apartment buildings and other high-risk building sites. The metropolitan, regional and rural panels proposed in Recommendation 12 could be a resource for selecting and appointing a clerk of works/site supervisor.

### **Theme 3: Building practitioners have the competencies they need for the work they do**

#### **Builder registration delivers safe and compliant multi-storey apartment buildings**

Bring forward the planned reform in the Victorian Government Building Reform Program to enhance the registration framework for building practitioners with the aim of completing this work before 30 June 2027 and include the following classes of registration for domestic builders.

- **Low-rise domestic builder** - This registration class would permit a builder to carry out building work on a Class 1 building (e.g. a standalone house) and a Class 10 building (e.g. a garage) as classified under the National Construction Code (NCC).
- **Mid-rise domestic builder** - This registration class would permit a builder to carry out building work on an NCC Class 1 building, an NCC Class 10 building and an NCC Class 2 building (apartment building) of up to three storeys.
- **High-rise domestic builder** - This registration class would permit a builder to carry out building work on an NCC Class 1 building, an NCC Class 10 building and an NCC Class 2 building regardless of the number of storeys.

The Building and Plumbing Commission is understood to be exploring registration measures that could achieve this outcome in expectation of future legislative amendments through the Building Reform Program.



### **Trained and experienced building surveyors and inspectors are readily available**

To address the shortage and improve the competencies of building surveyors and inspectors support work to:

- Mandate training for all building surveyors and inspectors on their statutory roles and responsibilities, the National Construction Code and the Australian Standards under the endorsement and guidance of the State Building Surveyor and in consultation with the Australian Institute of Building Surveyors and the Royal Institute of Chartered Surveyors;
- Remove the requirement to complete a course at either Holmesglen Institute of TAFE or Victoria University for the purposes of registration; and
- Implement the Building Reform Expert Panel's Stage One Report 'six-point plan' to boost the number of building surveyors including:
  - i. developing postgraduate and bridging courses, cadetships and internships and incentives for further training;
  - ii. improving mutual recognition arrangements; and
  - iii. providing formal mentoring roles for retiring building surveyors.

For more detail see [\*\*Appendix H\*\*](#).

To improve the competency of building surveyors and inspectors, adopt the National Registration Framework for Building Practitioners categories for building surveyors. As an interim measure, consider applying conditions on registration to create a system consistent with that framework, which would also assist with mutual recognition.

Rename private building surveyors and inspectors as statutory building surveyors and statutory building inspectors to better reflect their regulation role in the building system and mandate training on the National Construction Code and the Australian Standards.

- Bring forward the registration of building consultants as recommended by the Building Reform Expert Panel in its Stage One Report.
- Introduce a best practice standard for the preparation of reports by building consultants and other building experts along the lines of the standard developed by the Insurance Council of Australia.

## 1. WHAT IS IN THIS ISSUES REPORT?

The Building Monitor is required to prepare and publish this Issues Report under section 208P of the *Building Act 1993* (the Building Act).

The report provides a background and context to the creation of the Building Monitor for Victoria. It details the Building Monitor's activities, priorities and achievements in 2024-25.

The report draws on information and data provided by:

- Domestic building consumers
- Consumer representatives and advocates
- Industry stakeholders; and
- Government departments and agencies.

The requests for information and data made to government departments and agencies under section 208K of the Building Act are detailed in [Appendix A](#).

## Chapter 1

### What is in this Issues Report?

Chapter 1 introduces this Annual Building Monitor Issues Report and outlines its contents.

## Chapter 2

### What framework is the Building Monitor working under?

Chapter 2 explains why a Building Monitor was created for Victorian domestic building consumers, the role of the Building Monitor and the major reforms the Victorian Government is progressing to transform the domestic building system.

## Chapter 3

### How is the Building Monitor achieving the 2024-25 strategic plan?

Chapter 3 details the initiatives in the Building Monitor's 2024-25 Strategic Plan and the Building Monitor's achievements.

## Chapter 4

### What do consumers experience on their journey through the building system?

Chapter 4 outlines the problems that arise for consumers and their experience resolving complaints and disputes.

## Chapter 5

### What is the Building Monitor recommending to further improve outcomes for consumers?

Chapter 5 describes the issues the Building Monitor has heard, and the priorities and recommendations designed to further improve the domestic building system.

## Chapter 6

### What are the next steps for the Building Monitor?

Chapter 6 outlines the proposed focus areas for the Building Monitor for 2025-26.

## 2. WHAT FRAMEWORK IS THE BUILDING MONITOR WORKING UNDER?

## 2.1. Why has a Building Monitor been appointed for Victoria?

The *Stage One Final Report to Government* by the Expert Panel reviewing Victoria's building system (the Building Reform Expert Panel) recommended that a position be created in legislation dedicated to representing the interests of consumers in Victoria.

The position was proposed to address the significant gap identified in the regulatory system that there was no overarching organisation specifically advocating for consumers at a system-wide level. The Building Reform Expert Panel concluded that

*“...consumers are not adequately supported, empowered and represented in the building system.”*

Consequently consumers':

- Ability to engage confidently and make informed decisions in their best interests were compromised; and
- Needs, abilities and experiences were not being adequately considered when key decisions were being made about the regulation of the building industry.

The position of the Building Monitor was created through an amendment to the Building Act which came into operation on 1 February 2024. The inaugural Building Monitor was appointed by the Governor in Council on 30 July 2024 for a one-year term.

## 2.2. What is the role of the Building Monitor?

The role of the Building Monitor is described through the objectives and functions set out in sections 208E and 208F of the Building Act.

The objectives are to:

- Improve domestic building consumers' experiences of the building system by advocating for their interests at a systemic level and providing independent expert advice to the Minister and to persons and bodies involved in the building system;

- Create a central point for the identification of critical and systemic issues that affect domestic building consumers; and
- Empower domestic building consumers by promoting awareness of systemic issues that relate to the building industry, the plumbing industry and building system regulators, and make recommendations to improve the system.

This role is supported by functions which include to:

- Advise and make recommendations to the Minister on systemic issues and risks that affect domestic building consumers;
- Report on research conducted on the nature of specific systemic issues that affect domestic consumers;
- Advocate on behalf of domestic building consumers at a system-wide level on issues or matters affecting them that require reform;
- Collect and analyse information and data on the systemic issues that affect domestic building consumers;
- Monitor improvements to domestic building consumer experiences resulting from legislative reform;
- Develop and promote educational materials and strategies to reduce consequences for domestic building consumers;
- Engage with all relevant persons and bodies involved in or performing functions in the building system; and
- Support any work that assists in the achievement of the Building Monitor's objectives.

Together the objectives and functions ensure that consumer experiences of domestic building directly inform policy development and reform in Victoria.

Importantly, the Building Monitor does not duplicate the work of the Building and Plumbing Commission (BPC) which continues to respond to individual domestic building consumer concerns and complaints. The Building Monitor proposes improvements to address the issues arising from the consumer experience at the system-wide level.

## 2.3. What building reforms is the Victorian Government undertaking?

The Victorian Government is undertaking a major program to reform the Victorian domestic building system. The appointment of the Building Monitor is part of that program. The program includes new legislation and measures to strengthen the building system to deliver improved outcomes for consumers and the building industry.

In March this year, the Victorian Government released its *Building Statement: Strengthening Victoria's Building System* (Building Statement). It outlines the key components of the building reform program and the government's vision for safe high-quality and sustainable homes for Victorians.

A central component of the Building Reform Program is the *Building Legislation Amendment (Buyer Protections) Act 2025* (the Buyer Protections Amendment Act), which was passed by Parliament in May this year. It will amend the Building Act and other Acts to introduce significant new protections for consumers.

Among other measures, the new protections for consumers include:

- A new integrated regulator, the BPC, to oversee all aspects of building quality control (regulation, insurance and dispute resolution) in a single agency.

Stronger powers for the BPC to:

- Issue rectification orders both before and after an occupancy permit has been issued;
- Prevent an occupancy permit being issued where a pre-occupancy final inspection has found serious defective, incomplete or non-compliant building work; and
- Prevent the sale of apartments with serious defects;
- A first-resort Statutory Insurance Scheme for building work of up to three storeys to replace the current Domestic Building Insurance (DBI) scheme; and

- A new developer bond scheme for multi-storey buildings of four or more storeys to hold developers accountable for poor building work as the first step towards introducing a 10-year insurance product for apartment buildings.
- The Building Reform Program is ongoing. Over the next few years, the Victorian Government plans to introduce a series of legislative and operational reforms to further restore consumer confidence in the domestic building system by delivering safe and compliant, quality buildings.

Key measures among the identified future reforms include:

- Complex plumbing reforms;
- Mandatory Continuing Professional Development (CPD) to keep builders' and plumbers' skills up to date;
- Building approvals strengthened; and
- Building practitioner registration redesigned and expanded to include building consultants and site supervisors.

In June this year, the Victorian Government introduced the Domestic Building Contracts Amendment Bill 2025 (Domestic Building Contracts Amendment Bill) into Parliament. The Bill includes reforms to support the establishment of the BPC and to strengthen domestic building contract rules.

Chapters 4 and 5 of this report outline some of the issues underpinning the Building Reform Program and propose complementary improvements or reprioritising of already planned measures.

Figure 2.1 is a timeline that captures the critical components and milestones along the Building Reform Program pathway.

Full details of the Building Reform Program can be found at [planning.vic.gov.au](http://planning.vic.gov.au)

One of the functions of the Building Monitor under section 208F of the Building Act is to monitor improvements for consumers resulting from legislative reform. This will be a focus of the Building Monitor in 2025-26.

Figure 2.1. The Victorian Government's Building Reform Program Timeline.

Legislation and Reviews	2023	<ul style="list-style-type: none"> <li>Parliamentary Inquiry into Victoria's Security of Payment Framework Report and Government Response tabled in the Victorian Parliament.</li> <li>Review of the <i>Domestic Building Contracts Act 1995</i>.</li> </ul>
Measures and Actions		<ul style="list-style-type: none"> <li>Victorian Building Authority new Regulatory Policy Statement released signalling a new approach to consumer protection by better supporting builders and plumbers and fully using enforcement powers.</li> </ul>
Legislation and Reviews	2024	<ul style="list-style-type: none"> <li>Statutory role of State Building Surveyor created.</li> <li>New offence for a builder to demand or receive payment for work over \$16,000 without proper insurance.</li> <li>Building Monitor appointed.</li> <li>Architects Registration Board governance updated to best practice.</li> <li>Information and data sharing strengthened between government agencies.</li> <li>Ongoing Inspection blitzes of unlicensed building and plumbing work.</li> </ul>
Measures and Actions		<ul style="list-style-type: none"> <li><i>Building Legislation Amendment Act 2024</i>.</li> <li>Building Reform Expert Panel Review completed with 2 reports released.</li> <li><i>Building Legislation Amendment (Domestic Building Insurance New Offences) Act 2024</i>.</li> </ul>
Legislation and Reviews	2025	<ul style="list-style-type: none"> <li>Building and Plumbing Commission (BPC) commences.</li> <li>Power to order rectification of defective, non-compliant and incomplete building work before and after the issue of an occupancy permit introduced.</li> <li>Additional mandatory inspection pre-lining and waterproofing introduced for apartments.</li> <li>Developers of 4 or more storey buildings compelled to notify the BPC before a building is occupied.</li> <li>Developer bond scheme for buildings of 4 or more storeys commences.</li> <li>Victorian Building Authority increases its enforcement activity and expands its regional inspection program.</li> <li>Reforms concerning modern methods of construction, places of public entertainment and building electrification.</li> </ul>
Measures and Actions		<ul style="list-style-type: none"> <li>Consultation on building manual for apartments, mandatory inspections at plastering and waterproofing stages and Continuing Professional Development for building practitioners.</li> <li><i>Building Legislation Amendment (Buyer Protections) Act 2025</i>.</li> <li><i>Domestic Building Contracts Amendment Bill 2025</i>.</li> </ul>
Legislation and Reviews		<ul style="list-style-type: none"> <li>A new functional and easy to navigate legislative framework developed and implemented.</li> </ul>
Measures and Actions	2026 AND BEYOND	<ul style="list-style-type: none"> <li>First resort mandatory statutory insurance scheme for domestic buildings of 3 or less storeys to commence.</li> <li>Mandatory Continuing Professional Development requirements to be introduced.</li> <li>Clear and fair domestic building contract rules to be introduced.</li> <li>Plumbing reforms such as increased oversight of the design and installation of complex plumbing systems and aligning plumber competencies to new technologies to be introduced.</li> <li>Buildings approvals to be strengthened including accountabilities of designers and developers expanded, design documentation improved, and design and approval of fire management and complex systems improved.</li> <li>Building practitioner registration to be redesigned and expanded to include building consultants and site supervisors.</li> <li>10-year insurance product for multi-storey apartment buildings to be introduced.</li> </ul>

### 3. HOW IS THE BUILDING MONITOR ACHIEVING THE 2024-25 STRATEGIC PLAN?

As required under section 208J of the Building Act, the Building Monitor prepared a Strategic Plan for 2024-25 which was approved by the Hon Sonya Kilkenny, Minister for Planning and the Hon Harriet Shing, Minister for Housing and Building.

The Strategic Plan sets out the Building Monitor's vision, mission and values and is published on the Building Monitor's website at [vic.gov.au/building-monitor](http://vic.gov.au/building-monitor)



### Vision

Domestic building consumers can rely on and have confidence in a building system that provides safe, quality and compliant buildings.



### Mission

Monitor and drive continuous improvement to Victoria's domestic building system by championing the voice of consumers.



### Values

Four values guide the Building Monitor's work:

- **Advocacy:** Advocate for the interests of domestic building consumers.
- **Leadership:** Identify systemic issues and influence opportunities for change.
- **Collaboration:** Identify areas where protection is needed and collaboratively address systemic challenges.
- **Integrity:** Provide unbiased and independent advice underpinned by evidence.



The Strategic Plan also details the strategic initiatives the Building Monitor is delivering to achieve the objectives listed in section 208E of the Building Act.

The objectives, strategic initiatives and progress towards delivering the initiatives are summarised below.

Objective 1. Drive improvements to domestic building consumers' experiences of the building system.

Strategic Initiatives	Achievements
<b>Raise awareness of the Building Monitor's role and provide advocacy leadership</b>	<ul style="list-style-type: none"><li>Launched the Building Monitor's website <a href="http://vic.gov.au/building-monitor">vic.gov.au/building-monitor</a> in May 2025.</li><li>Consulted extensively with consumers, advocates, domestic building industry stakeholders and government agencies, <a href="#">Appendix B</a></li></ul>
<b>Ensure domestic building consumers' interests are embedded in key decisions</b>	<ul style="list-style-type: none"><li>Consulted with government agencies and advised on the policy and legislative decisions underpinning the development of the <i>Building Legislation Amendment (Buyer Protections) Act 2025</i>.</li><li>Provided advice on future legislative reforms.</li></ul>
<b>Establish a Building Monitor Consumer Reference Group</b>	<ul style="list-style-type: none"><li>Established the Building Monitor's Consumer Reference Group, which met in July 2025 and will continue to meet quarterly.</li><li>Membership is listed in <a href="#">Appendix C</a></li></ul>
<b>Establish a Government Inter-Agency Reference Group</b>	<ul style="list-style-type: none"><li>Met individually with government agencies to discuss initial data needs.</li><li>Undertook preliminary consultation to establish an Inter-Agency Reference Group, as a forum to coordinate data and information updates.</li></ul>



Objective 2. Create a central point to identify critical and systemic issues that affect domestic building consumers.

Strategic Initiatives	Achievements
<b>Prepare an Annual Building Monitor Issues Report</b>	<ul style="list-style-type: none"> <li>This report is prepared and published as the Annual Building Monitor Issues Report in fulfilment of this initiative in the Building Monitor's Strategic Plan and section 208J of the Building Act.</li> <li>Chapters 4 and 5 of this report outline the systemic issues negatively affecting domestic building consumers and prioritised for action by the Building Monitor. Recommendations are made to address the identified issues.</li> </ul>
<b>Collect and analyse information and data on systemic issues that affect domestic building consumers</b>	<ul style="list-style-type: none"> <li>Formal information sharing arrangements have been entered into with the government agencies listed in <a href="#">Appendix A</a>.</li> <li>Results of the analysis of the information and data collected are presented in Chapter 4 of this report and provide evidence to support the discussion of the issues in Chapter 5.</li> </ul>

Objective 3. Empower domestic building consumers.

Strategic Initiatives	Achievements
<b>Establish an Engage Victoria platform for domestic building consumers to tell their stories</b>	<ul style="list-style-type: none"> <li>Launched the Engage Victoria 'Tell us your building story' web page at <a href="https://engage.vic.gov.au/tell-us-your-building-story">engage.vic.gov.au/tell-us-your-building-story</a> in May 2025.</li> <li>This site invites any domestic building consumer to detail their experiences and concerns.</li> <li>There is a link to this site on the front page of the Building Monitor's website.</li> </ul>
<b>Develop and promote educational materials to minimise the risk of negative consequences for domestic building consumers</b>	<ul style="list-style-type: none"> <li>Referred individual domestic building consumers to relevant information, resources and agencies to enhance their understanding of their rights and the domestic building system controls.</li> </ul>
<b>Report on research conducted on the nature of specific issues that affect domestic building consumers</b>	<ul style="list-style-type: none"> <li>Reported on relevant research and reports released by the Victorian Building Authority, Cladding Safety Victoria, the Centre for International Economics, the Building Codes Board and Deakin and Griffiths universities in this Annual Building Monitor Issues Report.</li> </ul>

## 4. WHAT IS THE CONSUMER EXPERIENCE OF THE DOMESTIC BUILDING SYSTEM?

## 4.1. How are consumers engaging in the building system?

Every year thousands of Victorians build or renovate their home. For many, this is the largest investment they will make in their lifetime.

Figure 4.1 shows that both the number of permits and the value of building work for which permits were issued peaked in 2021. While there was an overall increase in the value of permits from 2019 to 2024, the number of permits did not return to the pre-COVID level.

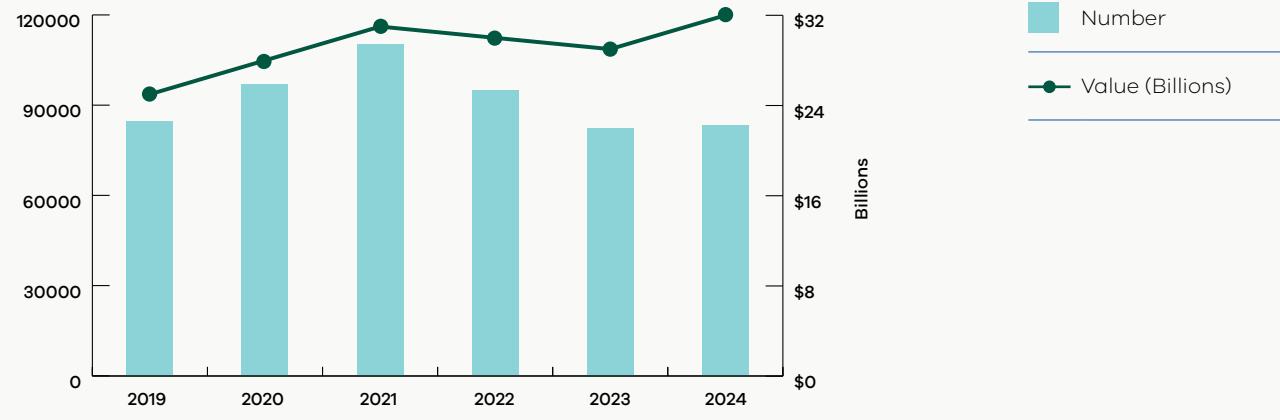
Apart from the increase during the COVID years, the number of permits issued for residential building work in both metropolitan Melbourne and regional Victoria remained relatively stable.

See Figure 4.2 over page. In percentage terms over the period 2018-19 to 2023-24, on average 65% of permits were issued in metropolitan areas and 35% in regional areas.

The building process is free of problems for most Victorians. However, a significant number experience defective, non-compliant or incomplete building and plumbing work and face other challenges as they journey through the domestic building process.

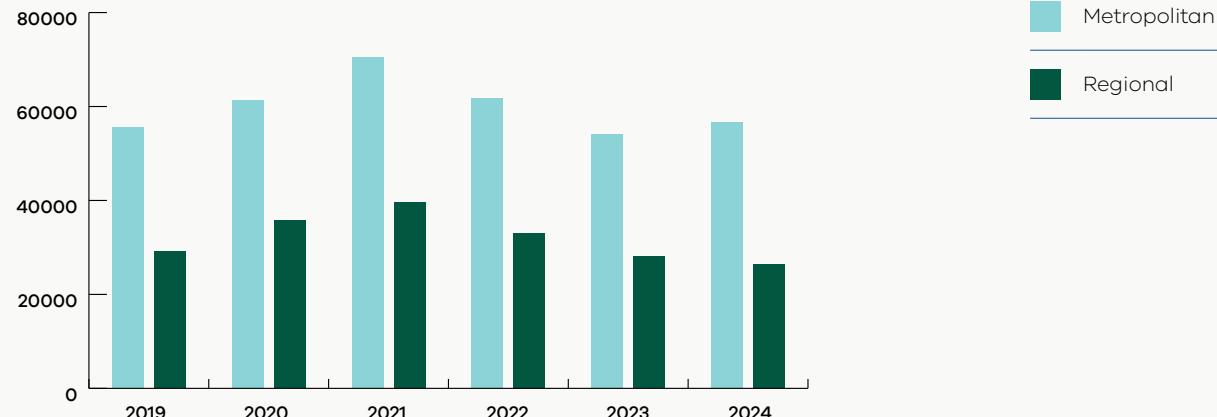
The 2023 Australian Consumer Survey found that 11% of consumers across Australia experience a problem when building, renovating and undertaking repairs and maintenance. This is an improvement from the 2016 and 2011 surveys, which found that 17% and 28% of consumers, respectively, experienced a problem with domestic building work. The 2016 Australian Consumer Survey, however, found that consumers experiencing a building problem was slightly higher in Victoria at 18%.

Figure 4.1. Number and value of residential building permits issued in Victoria.



Source: VBA permit data.

Figure 4.2. Number of residential permits issued in metropolitan and regional Victoria.



Source: VBA permit data.

The top problems experienced by consumers were:

- Poor workmanship;
- Poor customer service;
- Faulty, unsafe and poor-quality products;
- Delays or non-delivery; and
- Delays with getting faulty products repaired or replaced.

According to the Australian Consumer Survey, most consumers take action to resolve their disputes, although there has been a slight decline from 81% for the first survey in 2011 to 78% for the 2023 survey. When action is taken, over half of the disputes are resolved. However, on average less than half of the resolved disputes are satisfactorily resolved. See Figure 4.3.

Where a problem arises with domestic building and plumbing work, in addition to seeking independent legal advice, there are several Victorian Government agencies that consumers and builders have accessed for advice about a complaint or a dispute.

Figure 4.4 sets out the agencies accessed by consumers and their differing scopes and roles in resolving domestic building complaints and disputes.

Consumers' use of the services of these agencies, and the issues and the outcomes over the period 2018-19 to 2023-24 are outlined in **Section 4.2**.

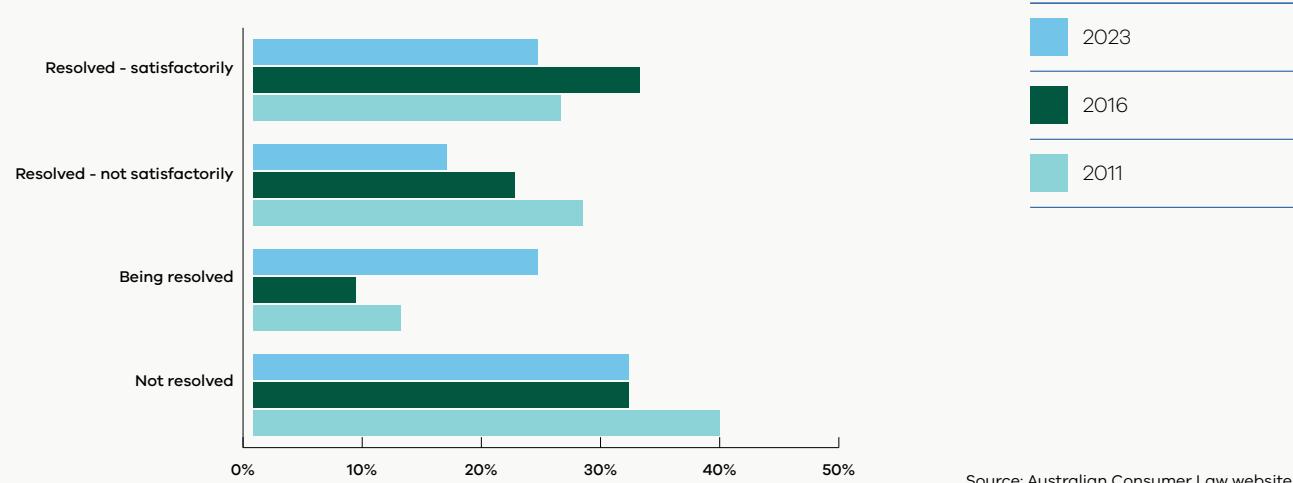
## 4.2. What issues have consumers been experiencing?

The seven case studies in the 2024 report by Bronwyn Weir and Frances Hall, *Victorian Building Authority - The Case for Transformation* (the VBA Transformation Report), illustrate the serious consequences for consumers where the poor conduct and quality of work of building practitioners and plumbers cause defective, incomplete and non-compliant building and plumbing work.

Until July this year, a consumer who had dispute over defective work sought to resolve their dispute through a number of complaint and dispute resolution agencies including Consumer Affairs Victoria (CAV), the Victorian Building Authority (VBA), Domestic Building Dispute Resolution Victoria (DBDRV, the Victorian Managed Insurance Authority (VMIA), the Victorian Civil and Administrative Tribunal (VCAT) and the Domestic Building Legal Service (DBLS). The dispute resolution role of each of these organisations is explained later in this section.

To prove their case, consumers required expert reports and legal advice. Owners corporations have in some cases spent close to \$1 million on expert reports and legal advice and another \$3 million or more to rectify serious defects.

Figure 4.3. Dispute resolution outcomes for building, renovating, repairs and maintenance.



Most consumers are not able to, and should not have to, pay the additional owners corporation levies to fix serious defects caused by building practitioners who have not built to the requirements of the National Construction Code (NCC) and Australian Standards.

The journey for consumers with building work problems has been subject to delays embedded in all parts of the system from CAV and the VBA through to DBDRV and the VCAT.

System delays and the costs involved in seeking redress are a significant problem for consumers. The VBA Transformation Report demonstrates the significant consequences and additional financial and health costs consumers experience from these delays and from a broken system.

While consumers wait, sometimes for three or four years, for resolution of their dispute their building is deteriorating. This means the cost to rectify serious defects, including those that have arisen after the issue of an occupancy permit, and/or to complete building their home increase exponentially. In addition, consumers who are not able to move into their homes, because they are not complete, are non-compliant or are a health hazard, as is the case with mould and other defects, are forced to rent, while continuing to pay their mortgage.

To meet these costs consumers are forced to borrow at high interest rates. As an example, owners of apartments in multi-storey buildings paying for the rectification of defects often borrow through their owners corporation at interest rates of 9% or 10%. Consumers are also borrowing to pay the significant costs of expert reports and legal advice to hold practitioners to account.

As the regulator did not have the power to issue rectification orders post occupancy it was left to the consumer to hold the practitioners to account.

While most building and plumbing practitioners are competent, there are registered practitioners who continue to deliver defective and non-compliant work and who are deliberately taking advantage of the delays embedded in the system. These delays have allowed them to continue working until their case is considered by VCAT. In some cases, it can be four or more years after a complaint is lodged, or disciplinary action is taken, for the matter to be heard by VCAT.

In the case of disciplinary action and registration matters, an appeal to VCAT to review a decision provides an automatic stay of the BPC's decision until a hearing can take place. The only exception to an automatic stay, is a disciplinary decision by the BPC to immediately suspend a practitioner's registration, which requires VCAT to consider whether a stay is appropriate. The automatic stay allows the practitioners to continue their building work until the case is heard at VCAT. The delays in reaching a VCAT decision allow the practitioners who are the subject of the disciplinary proceedings to continue their non-compliant work and potentially cause further consumer harms. For the 'good' practitioners, who are not at fault the delays may have a negative impact on their business and reputation.

Due to the limited number of VCAT members available to hear cases, the delay in hearing cases and the number of adjournments, building and plumbing practitioners who should not be operating continue to do so and cause further consumer harms.

In cases brought by consumers in relation to allegations of defective, incomplete and non-compliant work, there are often adjournments at VCAT. The reasons for adjournments include building practitioners requesting more time, changing their legal representatives and advising that they are not ready to proceed or that their legal representative is not available. There is also a limited number of technical experts working in this area. If their expert reports are not completed or they are not able to attend, the hearings are adjourned. Consumers are also in some cases advised by their legal representative to seek adjournments if they do not yet have the required expert advice.

In relation to legal representatives, proceedings at VCAT are excluded from the *Civil Procedure Act 2010*. This means that legal practitioners are not required to comply with the obligations under that Act which aim to ensure fair, efficient, timely and cost-effective resolution of civil disputes.

The creation of the BPC with additional and stronger powers, including to issue rectification orders post occupancy, access to first resort insurance and the introduction of a developer bond are designed to address many of the problems outlined above and to restore confidence in the building system. In the future it is expected that these reforms will mean fewer consumer cases being taken to VCAT and less need for consumers to pay for legal advice and expert reports.

### **Consumer Affairs Victoria**

CAV receives enquiries and complaints about domestic building contracts, breaches of the Australian Consumer Law and matters relating to single trades that are outside of DBDRV's jurisdiction.

Apart from the decline during COVID-19, the number of domestic building enquiries and complaints made to CAV remained relatively stable between 2018-19 and 2022-23 over. See Figure 4.4.

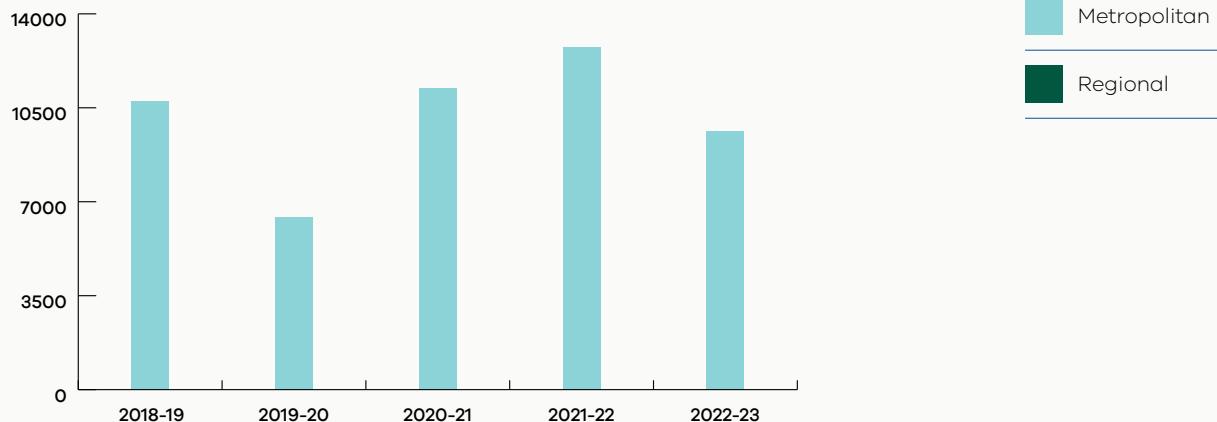
The top enquiries and complaints were poor workmanship, implied warranties, defects, charges, delays and non-supply.

### **Building and Plumbing Commission**

On 1 July this year, the VBA, DBDRV and VMIA were consolidated into the new BPC.

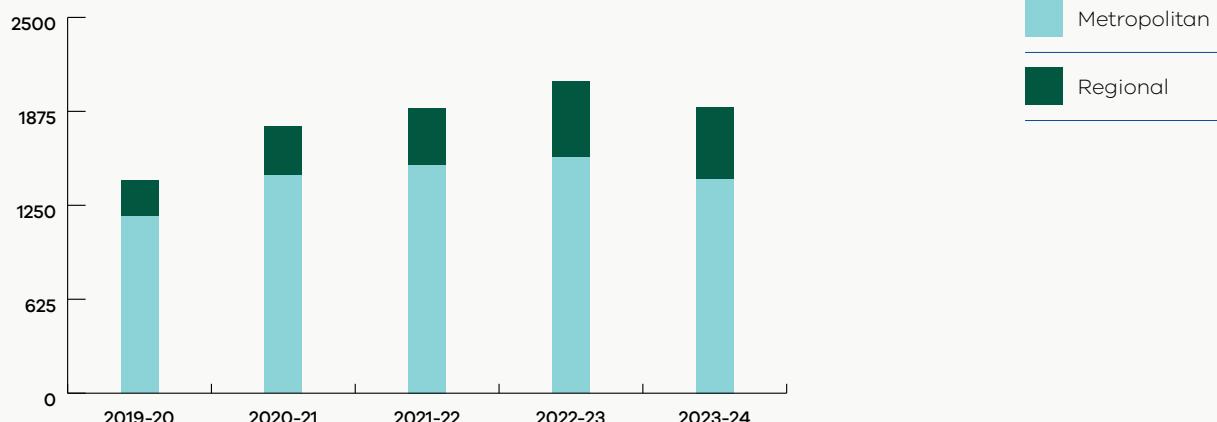
As a result, the BPC will now oversee all aspects of building quality control including regulation (formerly the responsibility of the VBA), dispute resolution (formerly the responsibility of DBDRV) and DBI (formerly the responsibility of VMIA and other insurers).

Figure 4.4. Number of domestic building enquiries and complaints.



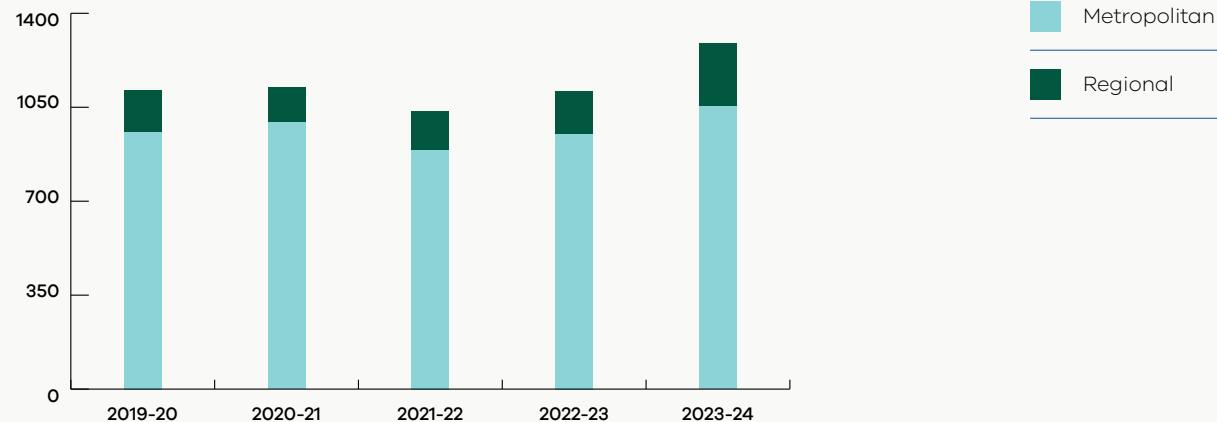
Source: Consumer Affairs Victoria data

Figure 4.5: Number of building complaints.



Source: Consumer Affairs Victoria data.

Figure 4.6. Number of plumbing complaints.



Source: Data provided by the VBA.

## Complaints (VBA)

The number of complaints to the VBA about domestic building and plumbing work increased between 2018-19 and 2023-24. Both building and plumbing complaints in regional Victoria increased as a proportion of total complaints. See Figures 4.5 and 4.6.

While the number of building complaints closed increased by 42%, the number of plumbing complaints closed declined.

Where a building or plumbing complaint was substantiated, actions included requirements for further education, issuing a caution or referring the matter for investigation or prosecution.

The average time to close a building complaint increased from 34 days in 2019-20 to 41 days in 2023-24. Over the same period, the average time to close a substantiated building complaint was longer, increasing from 39 days to 62 days.

For plumbing, the average time to close a complaint increased from 37 days to 41 days, and for a substantiated complaint from 39 days to 43 days.

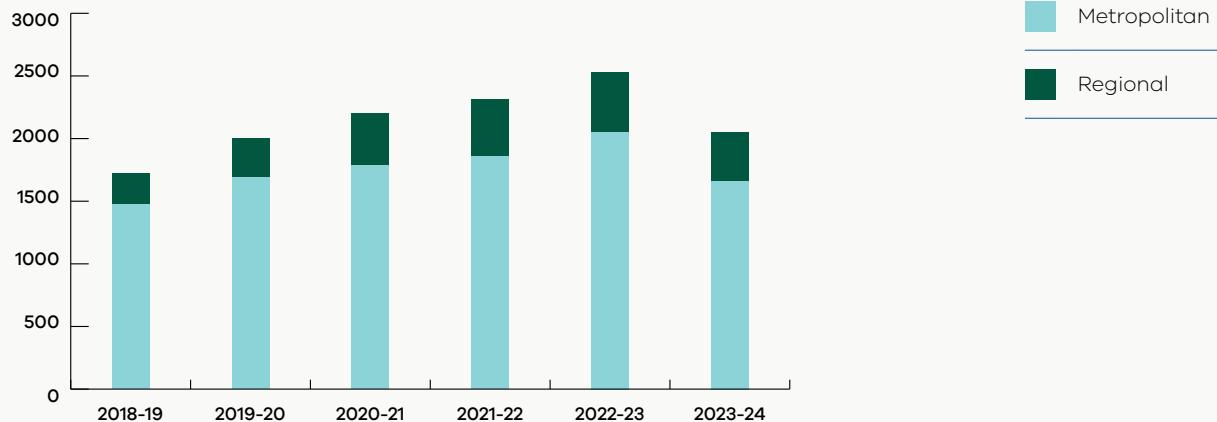
## Dispute resolution (DBDRV)

Between 2018-19 and 2023-24, DBDRV accepted over 12,800 disputes for conciliation. As many disputes concerned multiple issues, this totalled almost 25,400 issues. There was an overall increase in the disputes accepted in both metropolitan Melbourne and regional Victoria. See Figure 4.7.

A large proportion of issues (41%) were about defective building work. Incomplete building work accounted for 9% of issues.

Not all disputes lodged with DBDRV are eligible for conciliation. Under the Domestic Building Contracts Act 1995 (Domestic Building Contracts Act) a dispute that relates to building work that is more than 10 years old or is about a single type of building work, such as plastering or tiling, is not eligible for conciliation by DBDRV.

Figure 4.7. Number of building disputes accepted.



Source: Data provided by DBDRV.

Figure 4.8. Number of building disputes closed and resolved.



Source: Data provided by DBDRV.

Figure 4.9. Average time to close a dispute.



Source: Data provided by DBDRV.

Between 2018-19 and 2023-24, an average of 63% of disputes lodged with DBDRV for building work in metropolitan Melbourne were not accepted for conciliation. The number of disputes not accepted by DBDRV for building work in regional Victoria was marginally less at an average of 58%. Parties to disputes not accepted by DBDRV may apply to VCAT.

Defects in doors and windows, painting and waterproofing were among the top disputes in metropolitan Melbourne and regional Victoria. Plumbing defects were also a concern in Melbourne, likely reflecting the concentration of multi-storey apartment buildings.

Since 2018-19, both the number of disputes that were closed and the number of closed disputes that were fully or partially resolved increased.

See Figure 4.8. The percentage of closed disputes that were resolved also increased from 12% to 28%.

The average time from lodging a dispute to closing a dispute increased from 99 days in 2018-19 to 133 days in 2023-24. The average time to close a dispute was slightly higher in regional Victoria than in metropolitan Melbourne.

See Figure 4.9.

## Insurance (VMIA)

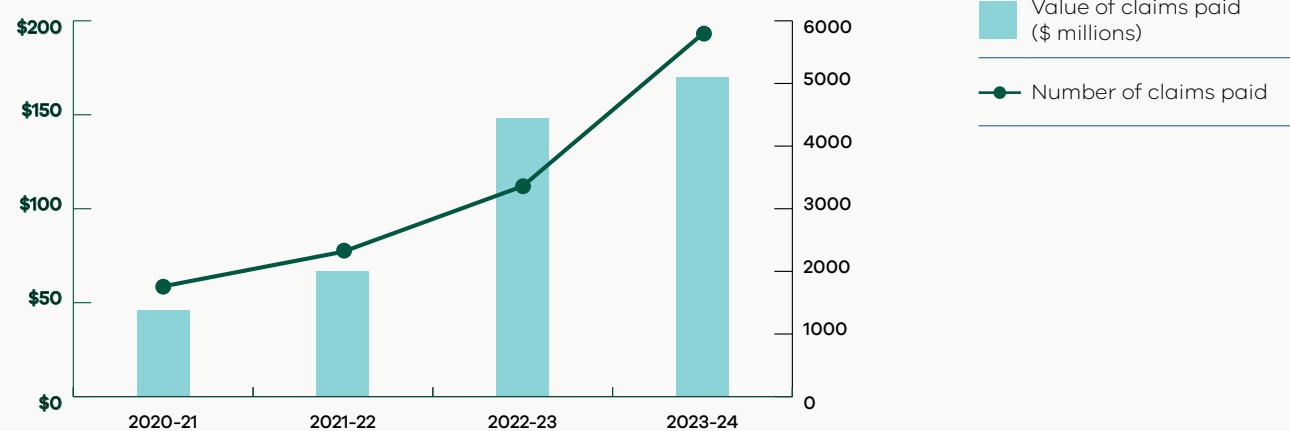
DBI is compulsory for builders carrying out domestic building work with a contract price over \$16,000. In March 2010, VMIA, a statutory authority, was directed by the Victorian Government to provide DBI and was the main insurer of a small group of insurers providing DBI coverage in Victoria before the establishment of the BPC.

DBI covers defective and incomplete building work with a cost of up to \$300,000 where the builder dies, disappears, becomes insolvent or fails to comply with a VCAT order where DBI was issued by VMIA on or after 1 July 2015. The coverage period is six years for structural work and two years for non-structural work. The Buyer Protections Amendment Act will amend the Building Act to replace DBI with a first resort statutory insurance scheme.

While the number of building insurance certificates issued steadily declined from 90,337 in 2020-21 to 77,770 in 2023-24, the number and value of claims paid increased; driven largely by defects in multi-unit buildings and builders becoming insolvent. See Figure 4.10 for claims paid.

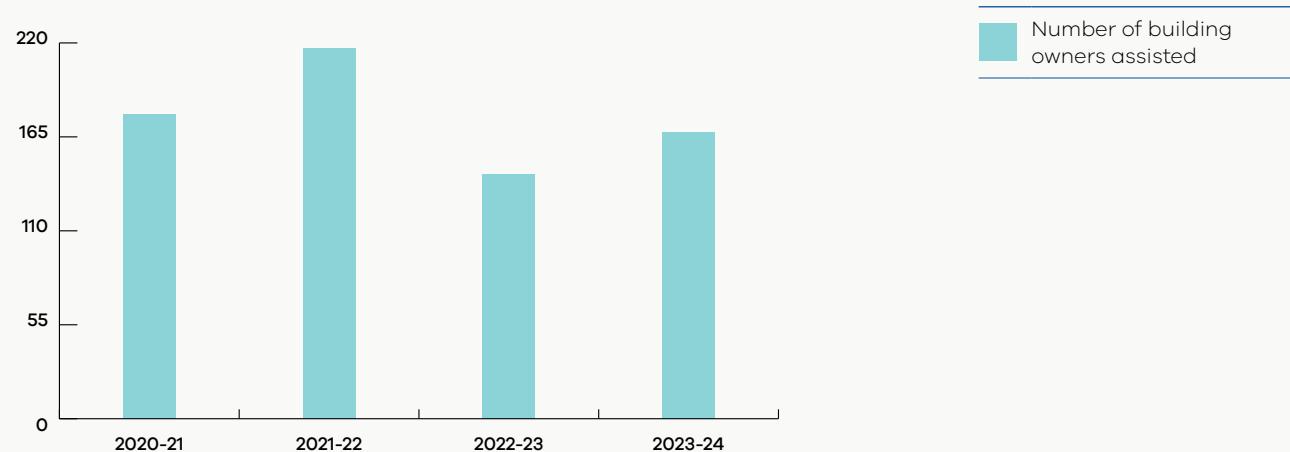
The most common causes of insurance claims to VMIA over the period 2020 to 2024 were framing, plumbing, doors and windows, waterproofing, painting and cladding.

Figure 4.10. Number and Value of DBI claims paid.



Source: VMIA annual reports 2020-21 to 2023-24.

Figure 4.11. Number of building owners assisted.



Source: CAV annual reports 2020-21 to 2023-24.

Figure 4.12. VCAT List.

List	Case Clearance Rate	Median Case Duration
<b>Review and Regulation</b>	73%	40 weeks
<b>Building and Property</b>	84%	39 weeks
<b>Civil Claims</b>	90%	44 weeks
<b>Owners Corporations</b>	95%	12 weeks

Source: VCAT Annual Report 2023-24.

In its report on Domestic Building Insurance released in May this year, the Auditor General noted that in 99.8% of cases VMIA met its DBI policy commitment to make liability decisions within 90 days of receiving a claim.

For the 2024 calendar year, the issues accepted by VMIA with the highest total estimated costs of claims paid were:

- Waterproofing - \$12.6 million;
- Framing - \$4.1 million;
- Cladding - \$3.7 million;
- Plumbing - \$3.1 million; and
- Leaking roofs - \$1.9 million.

## Domestic Building Legal Service

DBLS is funded by CAV and delivered by Justice Connect, an independent, not-for-profit legal service. DBLS provides information, legal advice, assistance and referrals to vulnerable and disadvantaged building owners who have not been able to resolve their building dispute through DBDRV and are preparing to apply to VCAT. The Justice Connect website also provides a range of useful self-help resources to assist consumers with building disputes and building contracts.

While the number of building owners assisted by DBLS each year peaked in 2021-22, overall, there was a decline between 2020-21 and 2023-24. See Figure 4.11.

Although the demand for dispute resolution services is strong and enquiries to DBLS are increasing, the intractable nature of disputes that are not resolved by DBDRV may be limiting the number of case management services that DBLS can provide.

CAV is currently reviewing the DBLS model to ensure it remains fit for purpose into the future.

## Victorian Civil and Administrative Tribunal

VCAT hears and makes orders on:

- Building work disputes which have not been successfully resolved by DBDRV or are outside DBDRV's jurisdiction under its Building and Property List;
- Building contract, service and product disputes under its Civil Claims List;
- Applications to review registration and disciplinary decisions by the BPC under its Review and Regulation List; and
- Additional levies by owners corporations for addressing defective work under the Owners Corporations List.

In addition to building and related cases, each of these lists considers a wide range of other cases.

Figure 4.12 summarises the performance of each of these lists in 2023-24. The waiting time is the time from lodging an application to a compulsory conference or hearing. While the waiting times mean lengthy delays, stakeholders have shared experiences of further delays of up to four years where compulsory conferences are cancelled, and directions hearings are adjourned on multiple occasions.

## 4.3. How are these issues being addressed?

Until July this year, the complaint, dispute resolution and domestic building insurance functions were fragmented and spread across three agencies. The differing roles and responsibilities of these agencies were confusing for consumers and there were accountability and enforcement gaps. Many consumers were frustratingly moved around agencies while trying to resolve their dispute.

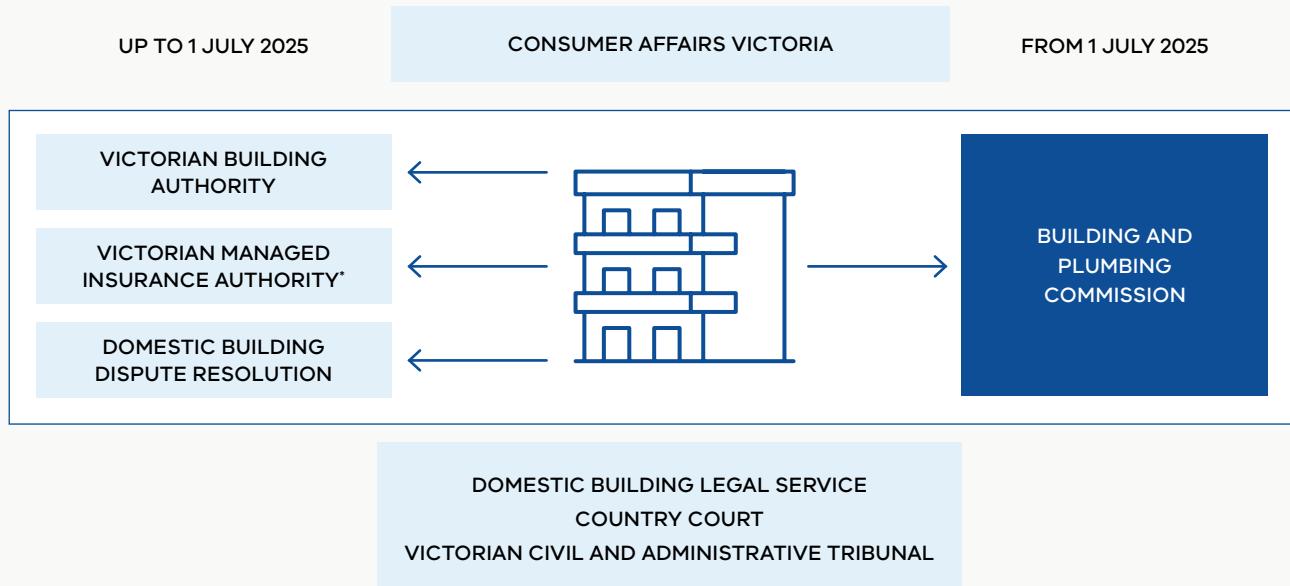
The Buyer Protections Amendment Act seeks to address these problems by creating a 'one-stop-shop' for consumers that consolidates the regulation (VBA), dispute resolution (DBDRV) and insurance (VMIA) functions into a single agency, the BPC. Combined with other reforms to be introduced through the Buyer Protections Amendment Act, it is hoped that these fundamental changes will reduce delays, provide greater consumer protection and restore consumer confidence.

Figure 4.13 below shows the complex complaint and dispute resolution agency arrangements before the establishment of the BPC on 1 July 2025, and the simplified arrangements now in place for domestic building consumers.

The Buyer Protections Amendment Act is the most significant improvement in decades. In addition to delivering the integrated BPC, it will introduce the suite of reforms described in [Section 2.3](#) above. Most notably, it will give the BPC stronger powers post occupancy and introduce first resort insurance and developer bonds.

The Domestic Building Contracts Amendment Bill proposes reforms that will further strengthen the BPC by transferring powers from CAV. If passed by Parliament, the reforms in the Bill will assist in addressing issues facing consumers by making the rules around domestic building contracts, the starting point in the building process, clearer and fairer.

Figure 4.13. Institutional arrangements for domestic building regulation, insurance and dispute resolution pathways.



\*Domestic building insurance function only.

There are also important complementary changes, including to the operation of VCAT, which should be considered. Changes to VCAT are needed, particularly in relation to automatic stays and the number of adjournments that can result in ongoing consumer harms. Increasing the number of VCAT legal qualified members with building dispute expertise and increasing building support staff would help to reduce delays. Making provision for VCAT to consider the financial and health costs for consumers and to consider a practitioner's pattern of behaviour in each case would also improve outcomes for consumers.

Regulation of complex plumbing is another important complementary reform that in the context of the Victorian Government's Housing agenda needs to be addressed as soon as possible. Plumbing failures particularly in multi-storey apartment buildings are the cause of significant consumer harms.

As the consultation and policy work has already been completed by the Department of Transport and Planning, it should be possible for complex plumbing amendments to be brought forward to commence implementation immediately, rather than the current target of 2028.

In addition to the recent reforms, opportunities for further improvements to the domestic building system are discussed in Chapter 5.



## 5. WHAT IS THE BUILDING MONITOR RECOMMENDING TO FURTHER IMPROVE OUTCOMES FOR CONSUMERS?

This Report makes 18 recommendations to improve the domestic building system. The recommendations complement the Victorian Government's Building Reform Program and focus on three core themes.

### **Theme 1: Domestic building laws are consumer focussed**

*“...consumer protection should be a central focus of Victoria’s building regulatory system...”*

*“Over the past three decades, building and construction practices have evolved considerably, driven by... changing consumer preferences...”*

*Building Reform Expert Panel, Stage One Report.*

Recommendations are made to prioritise the interests and wellbeing of domestic building consumers and include:

- Inserting a strong consumer interest objective or objectives in domestic building legislation;
- Embedding the consideration of public interest and consumer harms in VCAT and BPC decisions;
- Strengthening VCAT processes to improve outcomes for domestic building consumers; and
- Promoting user friendly domestic building contracts.

### **Theme 2: High, medium and low-rise domestic buildings are healthy and safe for owners and residents**

*“The proper design and construction of buildings requires many different practitioners with distinct skillsets and technical expertise who are suitably qualified, experienced and have the knowledge to perform their professional duties. An adequate supply of skilled individuals is critical to ensure an efficient building system and a safe, quality and compliant built environment.”*

*Building Reform Expert Panel, Stage One Report.*

Recommendations are made to enhance the quality and standard of the construction of multi-storey apartment buildings and include:

- Improving the expertise and controls underpinning the design and installation of complex plumbing systems;
- Updating plumbing insurance and compliance certificates;
- Promoting training and awareness for prevention of moisture damage and mould in domestic buildings;
- Reducing the conflict of interest that can arise for building surveyors; and
- Strengthening the oversight of work at building sites.

### **Theme 3: Building practitioners have the competencies they need for the work they do**

*“A regulatory system with appropriate safeguards will give government, consumers and industry confidence that buildings are safe, of high quality and compliant.”*

*Building Reform Expert Panel, Stage One Report.*

Recommendations are made to support practitioners to work competently and efficiently and include:

- Redesigning the registration classes for domestic builders and other building practitioners based on the class of building and the complexity of multi-storey buildings; and
- Addressing the shortage of building surveyors and inspectors.

## THEME 1: DOMESTIC BUILDING LAWS ARE CONSUMER FOCUSED

## 5.1. The domestic building regulatory framework has a strong consumer protection objective

The Building Act should include stronger public protection objectives that apply generally across the Act and to all functions, including registration and disciplinary decisions, by the BPC. In turn, this would support other regulators and agencies, such as VCAT, which draw on the objectives and principles of the Building Act when making decisions about domestic building matters.

As an example, the Health Practitioner National Regulation Law includes public protection and public confidence in its guiding principles for the national registration and accreditation scheme, which is a point of reference for decisions by VCAT.

An objective or objectives specific to the needs of consumers in the Building Act would further strengthen the consideration of consumer protection and consumer harm in building functions, decisions, hearings and orders, and promote consumer confidence in the domestic building system.

### Background

Where orders are made under a professional regulatory scheme, such as for domestic building, protecting the public from unsafe practitioners and harms is the central consumer and public interest concern.

However, reference points for the consideration of public interest in the Building Act are currently limited to specific situations. For example, the Building Act permits the BPC to immediately suspend a practitioner's registration if it is in the interests of the public pending a show cause process. But when considering an application to review or stay an immediate suspension decision by the BPC, the requirement to consider public interest is not extended to VCAT.

For the purposes of the Building Act, public interest, among other factors, should also include consideration of whether the practitioner poses a risk to public health and safety or has been the subject of multiple adverse disciplinary actions.

### Recommendation 1

Support work to develop a robust consumer protection objective, or objectives, to be inserted into the Building Act 1993 to apply to all functions and decisions under the Act including those made by the Building and Plumbing Commission. Key elements of the objectives would be that consumers, and the public generally, are protected by compliant building and plumbing practices and effective remedies for defective, incomplete and non-compliant work, and that the domestic building system delivers quality homes that are well built, safe and support health and wellbeing.

## **5.2. Mandatory consideration of public interest and consumer harms in Victorian Civil and Administrative Tribunal and Building and Plumbing Commission decisions**

In New South Wales, Queensland and Western Australia the consideration of public interest is prioritised for stay orders. The tribunal legislation in these states does this by listing public interest as a required consideration thereby ensuring, at a minimum, it has priority along with the interests of the affected parties and submissions from the relevant regulatory authority. See [Appendix D](#) for an interstate comparison of the stay requirements. Public interest should be a priority principle for VCAT in stay orders for domestic building disciplinary decisions to ensure that broader consumer interests and harms are considered in making orders.

The risk of private interest overshadowing public interest in VCAT disciplinary hearings and decisions could be minimised by providing VCAT members with guidance on the meaning and scope of consumer harm relating to building work.

Similarly, the BPC should specifically consider public interest and consumer harms when responding to stay applications at VCAT and when deciding and taking disciplinary action and/or prosecution of a building or plumbing practitioner. Access to clear guidance material would assist the BPC to fully consider the risks and consequences.

The guidance material for VCAT and the BPC should include the tests that would apply, and examples of the evidence that would demonstrate public interest risk and consumer harms. The tests and evidence should include a practitioner's pattern of behaviour, as this is a key element in assessing the extent and likelihood of consumer harms.

### **Recommendation 2**

Specify public interest as a matter that must be considered by the Victorian Civil and Administrative Tribunal in deciding stay applications for domestic building disciplinary matters, as is the case in New South Wales, Queensland and Western Australia.

See the interstate comparison in [Appendix D](#).

## Recommendation 3

Prepare a Practice Note under the authority of section 158 of the Victorian Civil and Administrative Tribunal Act 1998 to provide guidance on the nature and scope of public interest relating to building matters, including:

- the elements of public interest to be tested and measured with a focus on consumer harms including the potential for detriment and loss both financial and personal and the consequences of decisions for affected parties and the broader community;
- how to balance public interest against other criteria to be considered in stay and other hearings;
- the evidence needed to demonstrate a risk to public interest and to identify consumer harms; and
- the pattern of behaviour of a practitioner.

Consider requiring the same Victorian Civil and Administrative Tribunal member to be allocated to hearing a case from its initiation to conclusion, where possible.

Prepare guidelines for the Building and Plumbing Commission on public interest and consumer harms as set out in Recommendation 3 (a) to be applied when responding to stay applications and making decisions concerning prosecutions and disciplinary action.

## Background

As almost all building registration and disciplinary decisions by the BPC are automatically stayed if an application for review is made, VCAT only made two stay orders for building disciplinary decisions in 2024-25; one was granted and one was refused.

In making stay orders, VCAT is guided by the requirements in the Victorian Civil and Administrative Appeals Tribunal Act 1998 (VCAT Act) and the principles established through the stay orders it makes in a range of areas including domestic building.

Public interest is one of the principles that VCAT members may consider in stay hearings. It is a crucial consideration that prioritises community well-being. A stay order based on public interest can mean that after balancing individual rights with the community harms and benefits, certain private rights are limited.

However, public interest is not listed as a matter which must be considered, meaning that its priority will vary according to the circumstances of a particular case. Consequently, it can more easily be outweighed by other principles, such as any prejudice or harm to the applicant for the stay order such as the impact on the practitioner's livelihood without consideration of the consumer's livelihood.

Consumer harm is a key element of public interest. For domestic building work, consumer harm encompasses the detriment or loss, both financial and non-financial including negative health and wellbeing impacts experienced by consumers due to a building or plumbing practitioner failing to meet their obligations or engaging in unfair or deceptive practices. It can affect an individual consumer and/or all consumers (i.e. the public generally).

Stay orders that mainly consider a building or plumbing practitioner's livelihood and only narrowly consider consumer harms, which affect both individual consumers and the broader public, result in continuation of poor practices and repeated offences over time.

Having the same VCAT member hear a building disciplinary matter in full, where possible, would ensure a better informed and more timely understanding of the issues and consequences for consumers.

### **5.3. Building and related cases are heard under a single Victorian Civil and Administrative Tribunal Division**

Domestic building consumers are justifiably confused and frustrated with the delays and complexities of the different avenues to hear and order the resolution of domestic building disputes. This is because different aspects of these disputes are heard by DBDRV, VCAT, the County Court and the Building Appeals Board (BAB).

VCAT has primary jurisdiction over domestic building disputes and no monetary limit on the claims it can determine. However, it lacks jurisdiction to determine the rights and liabilities of disputing parties under federal law, because it is not a 'court'. Disputes over jurisdiction can lead to delays.

Delays also arise where VCAT needs to refer a dispute to the County Court because one party is interstate or it is a long and complex dispute and VCAT does not have the appropriate resources to manage it.

Rationalising the current arrangements into a 'court' would improve access and efficiency for all parties. Stakeholders have suggested establishing a separate Land, Building and Property Court with jurisdiction to hear and determine all aspects of all matters involving building disputes.

A court would:

- Feature specialist judges and technical building experts;
- Enforce payment orders;
- Ensure consistent fact finding and outcomes;
- Offer alternatives like onsite expert mediation to resolve disputes; and
- Clarify jurisdiction, lowering costs for parties and increasing public confidence.

An initial step towards considering whether to establish a Land, Building and Property Court, would be to consolidate the hearing of domestic building and related disputes into a single 'Division' at VCAT.

Depending on the type of case, building and related cases at VCAT are heard under four separate lists across two divisions the Building and Property List, the Civil Claims List, the Review and Regulation List and the Owners Corporation List. It would be more efficient and transparent to have a single integrated 'Division' for all building and related matters.

### **Recommendation 4**

#### **Stage 1: (as an Interim measure pending Stage 2)**

Support work to integrate the building elements of the Building and Property List, the Review and Regulation List, the Civil Claims List and the Owners Corporations List, and the Building Appeals Board into a single 'Division'.

#### **Stage 2**

Consider creating a Land, Building and Property Court, which would include the building elements of the Victorian Civil and Administrative Tribunal lists, the Building Appeals Board and the building cases List of the County Court.

The Building Division would include:

- the building section of the Building and Property List;
- the building section of the Review and Regulation List;
- the building contracts section of the Civil Claims List; and
- the building elements of the Owners Corporations List.

The Owners Corporations List is included as owners corporations are responsible for the common property in multi-storey apartment buildings and, therefore, are often involved in cases concerning disputes over defective and incomplete building work.

An integrated VCAT Building Land and Property Division would deliver benefits including reducing delays, providing a focus for and transparency of building specific VCAT funding and consolidating the building expertise of VCAT members. Member expertise is important. In its 2023-24 Annual Report, VCAT advised that a lack of members to hear complex cases in the Review and Regulation List had resulted in some applications not proceeding.

Integration will reduce costs and improve decision making timelines.

It has also been suggested that the BAB should be moved to VCAT and be integrated into a new Building Land and Property Division. The BAB is a specialist expert tribunal that makes decisions about matters relating to the Building Act and the Building Regulations 2018 (Building Regulations) including the Building Code of Australia (BCA). The BAB has subject matter expert members and may also conduct site inspections.

## Background

VCAT is divided into several 'divisions', and within each division it is categorised into specialised 'lists'. Each list deals with specific areas of legislation and types of cases. The divisions, lists and list responsibilities are set out in the VCAT Act and the Victorian Civil and Administrative Tribunal Rules 2018 (VCAT Rules).

Building and related cases, including owners corporations cases, are considered under several lists. Depending on the nature and type of a building or related case it may be heard by the Building and Property List for a building work, service or product dispute, the Review and Regulation List to review registration and disciplinary decisions, the Civil Claims List for single-trade building contracts, and the Owners Corporations List. These lists fall under two divisions: the Administrative Division and the Civil Division.

Regardless of the list under which a building or related matter is considered, consistent decisions and orders are crucial to ensure fairness, predictability and the effective administration of justice. Therefore, it is important that the Building and Property List, which hears disputes between consumers and practitioners about defective and incomplete building work, has the same principles and procedures applied as the other lists that consider building and related cases. This would promote consistency in decision making, noting that VCAT decisions are bound to follow precedents from the superior courts.

Since VCAT's establishment in 1998, its lists have undergone several reorganisations driven by a combination of factors. These include changing approaches to the handling of cases, increases in the volume and complexity of cases, streamlining procedures and promoting early resolution of disputes.

## 5.4. Automatic stays of building decisions on appeal to the Victorian Civil and Administrative Tribunal are removed to reduce consumer harms

Removing the automatic stays on appeal to VCAT of disciplinary and registration decisions would strengthen the protections for consumers.

Replacing the automatic stay with a requirement to apply for a stay at VCAT would minimise the potential detriment for consumers from the conduct of building and plumbing practitioners who are permitted to continue to practice while awaiting the outcome of an application to review a decision of the BPC.

Currently, the only time a stay is not automatic and must be considered on application to VCAT is when a decision of the BPC to immediately suspend the registration of a building practitioner or licensed employee is made. In these cases, the BPC has an opportunity to be heard. As removing automatic stays would increase the range of matters that would require a stay application, the BPC should similarly be able to make submissions and be heard by VCAT in all applications to stay a registration or disciplinary decision made by the BPC under the Building Act.

### Background

The Building Act sets the framework for the review of registration and disciplinary decisions by the BPC.

It allows a building practitioner or employee to apply for a review of a registration or disciplinary decision if they are dissatisfied with that decision. Depending on the circumstances, a review may be an internal review conducted by the BPC or an external review by VCAT. The outcome of an internal review may also be reviewed by VCAT.

Where an application has been made for an internal review or VCAT review of a decision by the BPC, the decision is automatically set aside or stayed until the review is decided.

The only exception to the automatic stay is a decision by the BPC to immediately suspend the registration of a building practitioner or licensed employee. Such a decision can only be stayed by VCAT on a case-by-case basis according to the requirements of the VCAT Act.

### Recommendation 5

Remove the automatic stay of a Building and Plumbing Commission decision pending the outcome of an application to the Victorian Civil and Administrative Tribunal to review the decision and replace it with requirements:

- to apply for a stay;
- for a stay to be decided within 10 business days of the application being made, or a maximum of 28 days;
- for a stay to be deemed to be granted if it is not decided in that time;
- to allow for conditions to be applied to the practitioner's registration when considering a stay application, as appropriate; and
- to have decisions about stays made as interlocutory decisions.

Allow the Building and Plumbing Commission to make submissions and be heard in all applications to stay a registration or disciplinary decision made under the Building Act 1993.

When a stay merely delays implementation of a decision that is confirmed on review, it jeopardises the public interest and increases consumer harms for:

- the consumer impacted by the poor performing practitioner which led to the disciplinary decision; and
- other consumers who may engage the practitioner to do further work while the disciplinary decision is stayed.

Allowing the practitioner to continue the unlawful practices or defective work that the BPC is seeking to prevent through a disciplinary decision, further risks the quality and safety of buildings and causes financial and health problems for consumers resulting in further consumer detriment and more consumer complaints to the BPC.

While an internal review must be decided by the BPC within 28 days, thereby minimising the risk of consumer harm, no time limit applies to hearing and deciding a review application by VCAT. As noted in **Section 4.2** above, there can be lengthy delays at VCAT thereby increasing the risk to the public from automatically staying decisions.

Automatically staying decisions also removes the opportunity to decide the merits of each individual stay application, which includes important considerations such as assessing the risk of repeat offending and balancing public and private benefits and harms.

An alternative approach to automatic stays for VCAT reviews can be found in other regulatory schemes in Victoria. Drawing on the requirements in these schemes, automatic stays should be removed for building matters and replaced with a stay application that is decided within a set time.

This alternative approach will ensure a timely decision on a stay while providing an opportunity for the individual circumstances and merits of each application to be considered to decide to grant or refuse a stay. The consideration of a stay application may require additional resources, particularly legal member resources. Several Victorian regulatory schemes set time limits for deciding stay applications from one to 10 business days. A maximum 28-day time limit - the time that applies to the BPC to decide internal reviews - may balance efficient decision making and resourcing.

It has been suggested that removal of automatic stays will work best if the decisions are interlocutory decisions. It is understood that this approach would reduce the workload, streamline the process and reduce delays.

With respect to the new powers that will be given to the BPC when the Buyer Protections Amendment Act commences - to issue rectification orders post occupancy, rectification cost orders and statutory insurance orders - BPC decisions made using these powers will not be stayed.

## 5.5. Domestic building contracts are easy to read and understand and there is a one-stop information resource for consumers

The Domestic Building Contracts Amendment Bill was introduced into Parliament in June this year. It includes reforms to make the rules around domestic contracts fairer and clearer.

In its Stage Two Report the Building Reform Expert Panel noted that:

*"Disputes can be caused or exacerbated by limited engagement with the terms of a domestic building contract."*

Therefore, if the Building Contracts Amendment Bill is passed. It is proposed that as part of the implementation of its reforms that the model domestic building contract for new homes be reviewed to make it more user friendly. Consideration should also be given to preparing additional model domestic building contracts for minor works and renovations and extensions.

Stakeholders have cited situations where changes to the legal requirements for domestic building contracts have not been incorporated into new contracts, in some cases, for at least 12 months after the changes came into operation. To ensure the full and timely implementation of any changes to domestic building contracts, stakeholders have suggested that a program of inspecting contracts be conducted 12 months after the introduction of those changes.

As outlined in **sections 4.2** and **4.3** above and noted by the Building Reform Expert Panel, despite the availability of information, disputes are inflamed because the complexity of the building regulatory system means that consumers:

*"often don't know where to go to understand how to resolve their dispute, ..."*

In these circumstances, the Building Reform Expert Panel recommended in its Stage Two Report that the regulatory complaint, dispute resolution and insurance agencies - CAV, VBA, DBDRV and VMIA - and the Department of Transport and Planning establish a single, integrated portal and develop a consumer communications strategy for building issues.

## Recommendation 6

When updating the model domestic building contract for new homes to include any amendments or changes arising from the Domestic Building Contracts Amendment Bill 2025, which is currently before Parliament, review and make the model domestic building contract more user friendly by:

- Simplifying the information, terms and conditions it contains;
- Improving the advisory and explanatory notes and warnings and applying them generally and specifically to consumers and to building practitioners, where relevant;
- Redesigning the form and layout of the model contract to make it easier to read and understand; and
- Providing online access to multilingual translations of the updated model contract.

The New South Wales standard contract for major domestic building work greater than \$10,000 provides a useful guide for reviewing and redesigning the model contract for Victoria.

- Consider developing specific model contracts for minor domestic building work and for renovations and extensions. The Queensland and New South Wales suites of standard domestic building contracts would be a useful guide for this work.
- Consider conducting a compliance inspection program of new domestic building contracts after 12 months of operation.

## Recommendation 7

Support work underway by the Building and Plumbing Commission to implement Recommendation 7 part B (i) and (ii) of the Building Reform Expert Panel's Stage Two Report to:

- Establish a single, integrated portal including relevant practitioner details, registration classes, insurance coverage and claims, discipline history and outcomes and other relevant information; and
- Develop a consumer communications strategy detailing the importance of using registered practitioners, checking the portal and using domestic building contracts.

The integration of the regulatory, dispute resolution and insurance functions into the BPC on 1 July this year, facilitates the implementation of the Building Reform Expert Panel's recommendation.

It is understood that the BPC is already exploring options to create a single portal with relevant information on building and plumbing practitioners. The portal is expected to combine and expand the information currently available on the BPC's website that allows consumers to search the registration and licensing details, and disciplinary history of practitioners. The portal would be the central point for a consumer communication strategy that also incorporates the current BPC approach of regularly reminding consumers of the importance of using and checking the details of registered and licensed practitioners.

## Background

The form and content of a domestic building contract is not set in legislation in Victoria. To protect consumers, the Domestic Building Contracts Act details the essential requirements that, at a minimum, must be included in all domestic building contracts. For example, a domestic building contract must include the statutory warranties for appropriate materials and workmanship.

Where the contract price for building work is more than \$10,000, it is a 'major domestic building contract'. A major domestic building contract has further mandatory requirements, such as, it must be in writing and include a 5-day cooling-off period.

As well as the mandatory requirements, a domestic building contract will have additional terms and conditions included at the request of the building practitioner and/or the consumer. Some building practitioners use standard contracts prepared by their industry associations, the Housing Industry Association of Australia (HIA), Master Builders Association of Victoria (MBAV) and the Australian Institute of Architects. Others prefer contracts prepared by their legal practitioners.

This means that a consumer building or renovating a home or other residential building will see various contracts that look very different. These contracts will all include the mandatory requirements but will also have additional terms and conditions that vary between contracts.

To give consumers confidence when they sign a major domestic building contract, CAV has prepared a 'model' domestic building contract for new homes. The model contract provides a balance between the rights and obligations of a domestic building consumer and a building practitioner and:

- Is written in plain English;
- Includes the information, guides and warnings required by the Domestic Building Contracts Act and other relevant legislation;
- Has advisory notes to help both parties understand their rights and responsibilities under the contract; and
- Includes recommended forms to help the parties communicate with each other.

The current Victorian model contract is an extensive document of 129 pages that is divided into five sections. One section forms the contract, which comprises 43 clauses. The remaining sections provide introductory and explanatory information, legislative extracts and recommended forms. The length of the document combined with its layout, which has the advisory notes interspersed within the clauses, makes it difficult to read and more complex than necessary and less likely to be used.

Model or standard domestic building contracts have been developed in Queensland and New South Wales (NSW). Queensland has a range of contracts covering new home construction, renovations and extensions, demolitions, small projects and repairs following a natural disaster. In contrast, NSW has two contracts: one for minor works valued between \$5,000 and \$20,000 - trade work, maintenance and repair work and smaller alterations or improvements, and one for major works valued over \$20,000 - new homes, major alterations and additions.

The NSW minor works contract is a simpler two-page contract with 12 terms. The major works contract is a shorter, more precise and consumer accessible equivalent of the Victorian model domestic building contract for new homes. It is comprised of 29 pages, 30 clauses and has a two-column layout where:

- The left column sets out advisory notes, explanatory notes and warnings that, where relevant, are addressed to the consumer or to the building practitioner; and
- The right column sets out the contract clauses, signatures and acknowledgements.

These features make the NSW major works contract clear and easy to read and understand.

It is crucial that consumers understand the terms and conditions of the domestic building contracts they sign. A clear understanding of the rights and obligations of the consumer and of the building practitioner is the pathway to a smooth and successful building project where potential disputes and their financial and legal risks are minimised.





## THEME 2: HIGH, MEDIUM AND LOW-RISE DOMESTIC BUILDINGS ARE HEALTHY AND SAFE FOR OWNERS AND RESIDENTS

## 5.6. Complex plumbing systems in apartment buildings are safe and compliant

The plumbing system is an integral part of all buildings and is more complex in multi-storey apartment buildings. The height, gravity and water pressure, thermal expansion, acoustic measures, waste disposal, fire safety concerns, space constraints and vertical design complexities of multi-storey buildings present unique challenges for plumbing systems. As a result, plumbing in mid and high-rise buildings is complex and requires specialist technical knowledge and skill in the design and installation of sophisticated systems to ensure the delivery of safe, high-quality buildings.

Poor design and installation of complex plumbing systems can lead to defects in all classes of buildings with the greatest risks in multi-storey apartment buildings. Defects can cause various problems such as water leakage (including in roofs and pipes), clogging and corrosion, poor water pressure, sanitary system smells and blockages, mould, cross contamination and structural issues that seriously damage a building and risk the health and safety of its residents.

An underlying cause of the high incidence of plumbing and related defects in multi-storey apartment buildings is the gaps that have emerged in the building system as plumbing work has become more complex. The Building Reform Expert Panel concluded that while the regulatory framework is broadly robust and effective;

*"it is not equipped to address the growth of complex plumbing systems."*

As it applies the same controls to both complex and non-complex plumbing. The regulatory framework was largely designed for domestic stand-alone buildings.

Additionally, the Building Reform Expert Panel noted that:

*"the existing building approvals process is not sufficiently tailored and responsive to different levels of complexity involved in the design and construction of modern buildings."*

With the increase in multi-storey buildings a different approach is necessary.

The lack of suitable controls for complex plumbing work is particularly found in the design and certification of complex plumbing designs and work. These gaps increase the risk of consumer harm. Given the complexities of complex plumbing work and the regulatory gaps, a registration system for designers - fire safety engineers, hydraulic designers, plumbers and other designers - and certifiers of complex plumbing designs and work should be brought forward and introduced as soon as possible.

The Department of Transport and Planning, in collaboration with the Plumbing Advisory Council, the BPC and industry bodies, has been working on a complex plumbing review and proposed framework. The review has identified policies to ensure that plumbing designers and certifiers working on multi-storey apartment buildings have the required competencies. The proposed framework includes a new suite of specialised classes of licence that would entitle a person to prepare complex plumbing designs, certify designs and certify the complex plumbing work.

Introducing specialist complex domestic plumbing licences with relevant qualifications and experience would improve the standard of complex plumbing design and installation work. In turn, this would minimise the issues that can arise during and post the construction of multi-storey apartment buildings. When there is a plumbing problem multiple households are affected and, in some cases, must move out pending rectification work.

The proposed framework for complex plumbing builds on the Building Reform Expert Panel complex plumbing recommendations and is in line with the National Registration Framework for Building Practitioners (NRF) model guidelines. [Appendix E](#) provides a guide to the NRF design scopes of work, qualifications, and experience requirements.

As non-compliant plumbing work leads to serious defects and health issues in apartment buildings and houses, ensuring that plumbing practitioners have the qualifications and experience to design and install complex plumbing in multi-storey apartment buildings is a priority for the delivery of quality housing.

Complex plumbing work is listed in the Building Statement as an area for reform in 2028. The Government's intention of building an additional 800,000 homes in Victoria and the introduction of higher density zones highlights the importance of addressing high risk complex plumbing as soon as possible. As the Building Statement explains;

*"Increased oversight of the design and installation of systems in higher-risk settings is required to ensure that this is done safely and compliantly."*

The BPC is working towards addressing complex plumbing issues by imposing conditions on practitioner registrations and licences.

Two further issues that should be addressed are plumbing insurance and plumbing compliance certificates. There is scope to resolve these issues and improve the transparency and availability of plumbing insurance for building owners and subsequent owners and plumbing compliance certificates.

In 2020, the PwC Australia report on plumbing insurance recommended reviewing the 2002 Ministerial Order - Licensed Plumbers General Insurance Order 2002 - to reflect modern practice including the increase in complex plumbing. The report also recommended changing the system of plumbing compliance certificates to reflect the complexity of the certification of plumbing design work for different classes of buildings.

A further specific issue arising more broadly with the certification of plumbing work, is the requirement under the Building Act for the issue of a compliance certificate. Under the Building Act a copy of the compliance certificate must be given to;

*"the person for whom the work was carried out."*

For multi-storey apartment buildings this is most likely to be the builder. Where this is the case, the Building Act requires the builder to give a copy of the compliance certificate to the owner of the premises e.g. the developer of a multi-storey apartment building.

However, this process does not always ensure that the subsequent owners, such as the owners of units in a multi-storey apartment building and their owners corporation have a copy or access to the compliance certificate. As a result, they frequently struggle to find the details of their insurer and insurance coverage and, therefore, cannot activate plumbing insurance for defects or necessary maintenance work.

## Recommendation 8

Encourage the Building and Plumbing Commission and the Department of Transport and Planning to prioritise and complete work on complex plumbing by 30 June 2027. This includes implementing the framework to strengthen consumer protection, regulatory oversight and accountability.

The Victorian Government's policy of building at increased densities, the extent of consultation and policy work that has been completed and the risks of not addressing complex plumbing, for multi-storey apartment buildings make implementation of complex plumbing reforms a priority.

Two further issues that should be addressed are plumbing insurance and plumbing compliance certificates. There is scope to resolve these issues and improve the transparency and availability of plumbing insurance for building owners and subsequent owners and plumbing compliance certificates.

## Recommendation 9

Support work to update plumbing insurance and compliance certificate requirements by:

- Updating the Licensed Plumbers General Insurance Order 2002 as recommended in the PwC Australia 2020 report on plumbing insurance;
- Providing for a copy of a compliance certificate for plumbing work that is issued to an owner who is a developer be provided to the owners corporation before settlement;
- Amending the approved form of the compliance certificate to include the plumber's insurance policy number and contact details for the plumber's insurer; and Including copies of the compliance certificates for plumbing work in the Building Manual.

This concern would be resolved by requiring:

- the developer to give a copy of the compliance certificate to an owners corporation before settlement; and
- the compliance certificate to be included in the new Building Manual.

Consultation on the content for the Building Manual was undertaken earlier this year and proposed that it include the plumbing compliance certificate.

## Background

Several recent studies have found that plumbing defects in multi-storey apartment buildings are common.

- The Cladding Safety Victoria second research analysis paper (2024) reported that water/moisture related structural damage accounted for 40% of defects.
- The Centre for International Economics (2021) found that across Australia water/weatherproofing, roof and rainwater and plumbing and drainage made up 67% of the total cost of rectifying defects.
- The 2019 Deakin and Griffiths universities report, *An Examination of Building Defects in Residential Multi-owned Properties* found that around 30% of defects across Australia were concerned with waterproofing, roof and rainwater disposal, hydraulics and mechanical and ventilation.

A licence entitles a plumber to supervise and certify that plumbing work complies with the Plumbing Code of Australia (PCA) and other relevant standards, and to design complex plumbing systems. However, not all plumbers have the specialist knowledge and skill to do this work. Compliance and insurance issues also arise. For example, a plumber who certifies plumbing work becomes liable for the design, including any faulty design work, even where they did not prepare the design.

Plumbing systems can also be designed by other practitioners with differing qualifications and skills such as hydraulic designers and fire safety engineers. Some designers may not hold a licence or registration, meaning they are not required to meet competency and compliance standards.

Regardless of who prepared the design, there is no requirement to certify designs, that is, there is no sign-off on the quality and standard of designs. This lack of oversight can lead to inadequate designs that have insufficient detail or non-compliant aspects and result in plumbing work that:

- Is defective even though the installation meets the design as specified; and/or
- Does not comply with the PCA if the plumber is forced to interpret specifications and make decisions which they may not be qualified to make.

Inadequate design and certification can jeopardise the standard and compliance of complex plumbing work. The health and safety risks for residents of multi-storey apartment buildings resulting from design and certification failures increase with the complexity of plumbing systems because of the specialist knowledge and skill needed to design and certify such systems.

The Building Reform Expert Panel recommended additional safeguards for complex building project with an initial focus on multi-storey apartment buildings. Specific recommendations to address the issues arising with the quality and standard of complex plumbing are supported and include:

- Defining complex plumbing; requiring complex plumbing work to be notified to the BPC and inspected;
- Introducing a specialist plumbing design class of registration; and
- Introducing certification of plumbing designs.

## **5.7. Mould prevention measures are implemented**

The introduction of the complex plumbing reforms, as outlined in 5.6 above, is essential to address moisture damage and mould prevention. An issue for consumers that results from the poor quality and installation of both complex and non-complex plumbing systems is water damage and mould.

While the BPC is taking a comprehensive range of actions to address moisture damage and mould, there is benefit in conducting ongoing awareness campaigns for both consumers and building and plumbing practitioners.

The BPC's consumer safety guide would be a key element of the campaign and could be expanded to include checklists and online tools. Alongside the BPC website, consumer resources could be promoted through social media and building consumer advocacy agencies.

## **Recommendation 10**

Support work by the Building and Plumbing Commission In partnership with building consumer advocacy organisations, industry associations and experts in waterproofing to conduct ongoing and targeted:

- Practitioner training that targets water ingress and waterproofing; and
- Consumer and practitioner awareness campaigns on moisture damage and mould growth risk.

## Recommendation 11

Make prevention of moisture damage and mould growth a priority issue for provision of expert technical advice and guidance by the State Building Surveyor and for the monitoring of building and plumbing work, by collecting and analysing data, developing advice and recommending actions to be taken by industry and the Building and Plumbing Commission to address this issue.

Practitioner training could be strengthened through partnerships with industry associations. The distribution of information and updates, and the delivery of seminars and events coordinated with the HIA, MBAV, Master Plumbers and Plumbing Industry Climate Action Centre, would increase industry knowledge and awareness of the issues and reduce risks to consumers. A focus on moisture damage and mould growth risk by the State Building Surveyor (SBS) would support practitioner compliance and be a key element of the practitioner awareness campaign.

## Background

Air quality is a fundamental human right. Australians spend 90% or more of their time indoors, including at home, work, and in public areas. However, mould is increasingly affecting air quality in residential buildings due to poor workmanship, energy-efficient designs and changing climate patterns.

Although the percentage of mould-affected residential buildings in Victoria is unknown, studies show that mould and dampness are common issues in Australian homes. In 2009, the World Health Organization estimated that 10% to 50% of homes in Australia experienced indoor dampness related to mould. More recently Cladding Safety Victoria reported in its second research analysis paper that 31% of defective buildings or 12% of all buildings in its Cladding Rectification Program had one or more mould-related defect.

Mould can lead to serious health risks, financial problems, and structural damage to buildings. CSIRO research indicates that mould exposure may result in allergic reactions and respiratory issues such as asthma. In some cases, it could cause more severe complications like kidney, liver, and immune system damage. The combined impact on quality of life, healthcare costs, and the expenses associated with removing mould and repairing building damage can be considerable for both builders and residents.

Mould in buildings is typically caused by moisture and water ingress. Defective cladding, plumbing failures, and poor water vapour management can cause leaks, condensation, and ventilation problems, resulting in moisture damage. Moisture damage has been a common complaint to the VBA, disputes lodged with DBDRV, and claims made to VMIA.

A range of actions have been taken at the national level and in Victoria to address moisture damage and the risk of mould.

At the national level, the NCC was updated in 2019, 2022 and in May this year to enhance moisture management in buildings, particularly to address condensation in walls and roofs.

Focussing on Victoria, the BPC has introduced targeted measures for practitioners and consumers to highlight moisture damage and mould.

- Supported and partnered with DBDRV, VMIA and experts on several research studies to better understand the causes of moisture damage and mould.
- Conducted proactive inspection programs of building and plumbing work under construction across Victoria with a focus on areas of compliance that risk water ingress and moisture damage.
- Presented a series of practitioner education webinars to raise awareness of the causes, impacts and mitigation strategies.
- Issued a Design Documentation Practice Guide for multi-storey apartment buildings.
- Hosted the 2023 annual conference for building surveyors to emphasise health and safety impacts.
- Published a safety guide to help consumers understand the causes of condensation, mould growth risk and dampness and setting out the steps they can take to reduce mould risk in their homes and to protect their property and health.

The BPC consumer safety guide is not only a resource for property owners but also for renters and rental providers. Under the Residential Tenancies Act 1997 (Residential Tenancies Act) rental properties are required to be free from mould and damp and meet minimum standards for ventilation.

Rental providers are responsible for addressing mould caused by structural issues, leaks, or inadequate ventilation.

If mould is caused by the property being in breach of the requirements under the Residential Tenancies Act, it can be considered an urgent repair requiring immediate action by the rental provider.

Earlier this year, the Department of Transport and Planning hosted public consultation on new building regulations, which among other reforms, proposed:

- Mandatory inspection of apartment and other residential buildings at the pre-lining and waterproofing stages of construction; and
- The introduction of the Building Manual.

The Building Manual will be available to the owners' corporation for multi-storey apartment buildings. Key information will include documentation on the design, construction, certification and maintenance of buildings.

Trades registration and CPD reforms would also assist to minimise mould and water ingress risks.

## **5.8. Building surveyors are independent and act in the public interest**

Despite new laws in 2017 requiring owners to appoint building surveyors and a Code of Conduct for Building Surveyors mandated in 2022, in practice, builders, developers, and designers still influence the appointment of building surveyors.

Private building surveyors have a critical statutory role in verifying the standard and quality of building work and issuing occupancy permits. However, the building work they are responsible for approving is frequently the work of the practitioner they, in turn, depend on for work. This commercial relationship with the practitioner makes them vulnerable to competing interests and demands which may compromise the public interest.

The Building Expert Panel made two recommendations to address the conflict of interest for private building surveyors in its Stage One Report. Recommendation 13 proposed measures to strengthen building approvals processes, such as a new system for auditing building surveyors and a 'terms of engagement' document for owners (that would expand on the mandatory Domestic Building Consumer Guide). Recommendation 16 proposed a more fundamental change in the building certification process. It recommended transferring accountability for inspections, occupancy permits and certificates of final inspection to municipal building surveyors who would also be responsible for monitoring and enforcing compliance of building work.

## Recommendation 12

To reduce the conflict of interest for building surveyors:

- Create metropolitan, regional and rural panels of experienced building surveyors accredited by the Building and Plumbing Commission and available as independent experts to the Building and Plumbing Commission, the Victorian Civil and Administrative Tribunal, the County Court and to consumers in line with the work commenced by the Building and Plumbing Commission to establish a Technical Advisory Services Register for the provision of Building Surveyor/Inspector Services;
- Publish details of the panels on the Building and Plumbing Commission's website;
- Promote the panels to domestic building consumers to select and appoint a building surveyor to oversee their building work; and
- Support and enhance the role of municipal building surveyors by considering the recommendations of the 2025 report by Bronwyn Weir and Frances Hall, Building Surveying Resources in Rural Victoria, relating to municipal building surveyors.

A report by Bronwyn Weir and Frances Hall, Building Surveying Resources in Rural Victoria, released in March 2025 examined the delivery of municipal building surveyor services and made 10 recommendations for improvements. The report also proposed five potential models for delivery of municipal building surveying services for rural councils. This included a model to share resources across multiple councils.

An example of this model is the 'Shared Service Hub' currently being funded by the Victorian Government. Yarriambiack, Buloke, Hindmarsh and Loddon shires along with Swan Hill Rural City Council are trailing the hub which is due to be evaluated in 2026. Small rural councils often face challenges in engaging the municipal building surveying services needed for timely housing and planning approvals. The trial aims to address this by potentially improving efficiency and reducing costs through shared services and IT systems.

It is essential that domestic building consumers have readily available access to independent statutory building surveying services. This could be achieved through the establishment of metropolitan, regional and rural panels of building surveyors, which could include private and municipal building surveyors.

The creation of accredited panels would also assist with the shortage of building surveyors discussed in [\*\*Section 5.11\*\*](#) below.

## Background

Private certification of building work by building surveyors was introduced in Victoria in the early 1980's. Today private building surveyors inspect and assess most building work in Victoria.

The inherent conflict of interest that arises from private certification and its consequences was highlighted in the 2011 and 2015 reports on the building regulatory framework by successive Victorian Auditors-General.

In their 2018 'Building Confidence' Report, Shergold and Weir advise that even if the building surveyor is appointed by the owner, the conflict will remain as this appointment will be influenced by the private building surveyors' relationships with builders and/or designers.

The Building Confidence report proposed enhanced regulatory oversight to address the conflict.

The work of the State Building Surveyor to establish a Technical Advisory Services Register will improve oversight and go some way towards addressing conflict of interest.

## 5.9. Independent oversight of work at multi-storey apartment building sites improves the safety and quality of housing

In its Stage Two Report, the Building Reform Expert Panel recommended that developers of multi-storey apartment buildings and high-risk projects be required to:

*"engage an agent such as a superintendent, site architect, or clerk of works to be regularly onsite."*

This agent would:

*"regularly monitor compliance and quality on site for the developer... conduct inspections and report to the developer so the developer is aware of, and maintains, shared responsibility for the whole construction process."*

There are many benefits from mandating a clerk of works for multi-storey apartment building sites.

- Poor workmanship and defects that increase costs and lead to delays are flagged early and addressed immediately rather than at the end of the project or post completion. For example, defects that cause water ingress in apartments are one of the biggest post construction costs for builders and also for residents. Cladding Safety Victoria estimated the potential savings from a clerk of works arising from prevented future rectification costs at \$41.9 billion annually for Victoria's building industry.
- Not only is the standard and progress of work monitored but materials are checked to ensure they meet the required Victorian and national standards and that they have been installed to manufacturers specifications.
- Safety hazards are identified before they result in incidents or injury or death.

- Any changes to the design and materials are queried, must be justified and are reported to the developer, included in amendments to the permit and in the final as built documentation.
- Long-term building quality and efficiency are prioritised over short-term cost cutting.
- Upskilling of practitioners, such as the site foreman and contractors, occurs on the job at the site.

However, onsite oversight by a clerk of works has significantly diminished in Victoria since the 1980s. It is estimated that over half of the building sites in Victoria lack independent oversight, whereas it remains a key project role in many other countries such as the United Kingdom and Singapore.

The absence of this oversight role has allowed craftsmanship and standards to decline, affecting the quality and compliance of multi-storey apartment buildings both at completion and over the building's lifespan. Cladding Safety Victoria reported that multi-storey apartment buildings in its rectification program showed a rapid decline in quality within five to seven years due to missing key steps in ensuring quality construction.

The outcome for residents is a high cost to rectify faults that potentially risk health and safety. Therefore, it is proposed that the clerk of works function be restored for multi-storey building sites and consideration is given to making the appointment of a clerk of works mandatory for certain buildings.

An important complementary initiative that the Government has foreshadowed is the introduction of a mandatory registration scheme for site supervisors.

## Recommendation 13

Prioritise work to require a clerk of works/site supervisor to be registered and consider mandating a clerk of work/site supervisor function for multi-storey apartment buildings and other high-risk building sites.

The metropolitan, regional and rural panels proposed in Recommendation 12 could be a resource for selecting and appointing a clerk of works/site supervisor.

## Background

Independent oversight is an important function at a building site to control the quality of work during construction. Building work involves a wide range of practitioners - designers, builders, plumbers, engineers and tradespeople - who need to collaborate in a complex and sometimes hazardous environment. Over time, there has been a shift towards self-certification and increased use of design and construction contracts, placing the builder, rather than the owner/developer, in charge of most contract elements. Additionally, builders and contractors have taken on greater responsibility for quality assurance. Consequently, there is a growing need to oversee and inspect site works.

Economic considerations and cost savings may have played a role in the removal of the clerk of works position from standard practice in Victoria.

Between 2021 and 2024, Cladding Safety Victoria operated a clerk of works function for projects in its Cladding Rectification Program. The three companies appointed to a clerk of works panel undertook over 14,500 site visits, resulting in more than 17,000 quality and safety inspections. Over 7,000 health and safety matters were observed and reported.

Cladding Safety Victoria found the clerk of works was a cost-effective business approach for projects in its three-year program and recommended it be reintroduced for domestic buildings including multi-storey apartment buildings.

- The potential savings from preventing the need for rectification averaged approximately \$350,000 a building or on average around seven times the cost of a clerk of works on a per building basis.
- The total quality and safety estimated cost savings based on the buildings inspected by the clerk of works amounted to approximately \$96 million.

## THEME 3: BUILDING PRACTITIONERS HAVE THE COMPETENCIES THEY NEED FOR THE WORK THEY DO

## 5.10. Builder registration delivers safe and compliant multi-storey apartment buildings

The Building Reform Expert Panel concluded that the current building practitioner classes are not aligned with contemporary construction practices, do not reflect different risks across the construction process and building lifecycle and are not based on the complexity of work. This is particularly the case with multi-storey apartment buildings which increases the risk of defective and non-compliant work.

To address building defects in multi-storey apartment buildings and the resulting health, safety and financial harms for consumers, the registration classes for builders and other building practitioners should be restructured around building classes and building complexity. This approach is consistent with the model proposed in the Australian Building Codes Board model guidance, the NRF.

Given the complexities of building work for different classes of buildings, it is important that the registration framework is appropriately tailored and responsive. Therefore, each class of builder registration should have the qualifications, experience and competencies for the building work it authorises. The NRF provides a guide to these requirements. See [Appendix F](#). It was developed in response to the 2018 Building Confidence Report by Peter Shergold and Bronwyn Weir, which proposed changes to builder registration.

The proposed registration classes would enable better qualified builders to competently carry out and supervise more complex building work. This would deliver compliant, healthy and safe buildings, thereby supporting the Victorian Government to deliver its target of 80,000 new homes through its Activity Centres Program. It would also promote consumer confidence in the domestic building system.

As an interim measure, new classes of registration for builders could be introduced by applying conditions on registration. The BPC is already considering the mechanisms required to introduce a system consistent with the NRF that is possible within the existing regulatory framework.

The intention to enhance the registration framework for building practitioners is foreshadowed in the Government's Building Statement for beyond 2026. Given the expected benefits, it is proposed that this reform be prioritised and brought forward to 2026.

The NCC building classes 1, 2 and 10 are explained in [Appendix G](#).

## Background

In 1973, the Victorian Consumer Protection Council made the following recommendation in its annual report:

*"The Council strongly recommends to the Government that it passes legislation requiring the licensing of all builders and companies engaged in building. It should also cover the establishment of an independent tribunal to deal with complaints by consumers against builders as to unsatisfactory workmanship and delays in completion under the terms of the agreement entered into by the consumer with the builder."*

In response, the Government introduced an industry administered registration scheme through the *Local Government (House Builders Liability) Act 1973*. In the 1999 Bond University Research Repository paper, *Builder Registration in Victoria - A Sign of Things to Come?*, the scheme was described as a mild form of builder registration only applying to new homes.

While the scheme was very light touch it has been progressively strengthened to become the scheme we know today. However, over time there have also been significant changes to building design and construction practice, which have led to a disconnect between the registration scheme and industry practice.

Under today's scheme, there are two classes of registration for domestic builders: domestic builder unlimited; and domestic builder limited. A domestic builder unlimited can work on any type of domestic or residential building like a standalone house, a townhouse or an apartment building of any complexity and number of storeys. Although a domestic builder limited can only do certain types of building work like carpentry or glazing, they can do that work on any type of residential building, including an apartment building of any complexity and number of storeys.

Each class of registration has different knowledge and skill requirements. These requirements aim to promote the quality and safety of buildings and give consumers confidence that they are dealing with competent builders. However, over time, changes in the complexity and management of building work mean that these objectives are no longer being fully realised for the building of apartments.

Defects in building work are a major problem for apartments that potentially cause serious risks to residents and are costly to fix.

## Recommendation 14

Bring forward to 2026 the planned reform in the Victorian Government Building Reform Program to enhance the registration framework for building practitioners and include the following classes of registration for domestic builders.

### **Low-rise domestic builder**

This registration class would permit a builder to carry out building work on a Class 1 building (e.g. a standalone house) and a Class 10 building (e.g. a garage) as classified under the National Construction Code (NCC).

### **Mid-rise domestic builder**

This registration class would permit a builder to carry out building work on an NCC Class 1 building, an NCC Class 10 building and an NCC Class 2 building (apartment building) of up to three storeys.

### **High-rise domestic builder**

This registration class would permit a builder to carry out building work on an NCC Class 1 building, an NCC Class 10 building and an NCC Class 2 building regardless of the number of storeys.

The Building and Plumbing Commission is understood to be exploring registration measures that could achieve this outcome in expectation of future legislative amendments through the Building Reform Program.

In its second research analysis report released in 2024, Non-cladding building defects, Cladding Safety Victoria found that nearly 50% of apartment buildings in its Cladding Rectification Program had non-cladding defects. The defects were particularly concentrated in apartment buildings of between two to 10 storeys and around 78% were found in apartment blocks constructed less than 10 years ago. The incidence of defects was expected to be widespread in apartments outside the cladding program.

A high rate of defects in apartments in Victoria is not an isolated finding.

In its 2021 *Building Confidence Report: A Case for Intervention*, the Centre for International Economics estimated that among the states and territories Victoria had the highest rate of non-cladding defects in apartments. It estimated a rate of two defects per apartment built during 2022: well above the national average of 1.55 defects.

There were similar findings in the 2019 Deakin and Griffiths universities report, *An Examination of Building Defects in Residential Multi-owned Properties*. The Deakin University report found that around 74% of apartment blocks built between 2008 and 2017 in Victoria had at least one defect in multiple locations in a building, with each building averaging 11 defects.

For residents the impact of defects can be significant and costly.

The Centre for International Economics estimated the annual cost in 2022 of rectifying apartment defects, including cladding defects, for Victoria to be \$453 million a year. Cladding Safety Victoria estimated the cost of repairing the non-cladding defects it found to be \$19.3 million with on average \$180,000 per building.

Cladding Safety Victoria concluded that the defects it found were from;

*"poor architectural design, defective construction by poor workmanship by trades under the supervision of builders or maintenance issues and have the potential to present serious safety risks to residents."*

Different buildings have, for example, varying designs, materials, foundations and construction methods. Depending on the complexity of the building work, builders increasingly need to engage and manage multiple tradespeople. As a result, the complexities and challenges of building a four or five storey or a 20-storey apartment block are distinct and different to those for a standalone house. Each demands different knowledge and skills from builders if they are to be competently and safely built.

However, the incidence of defects and non-compliance indicates that the existing classes of registration do not reflect these complexities and challenges and, therefore, are not delivering the competencies building practitioners need for multi-storey residential construction. In its Stage One report, the Building Reform Expert Panel concluded that;

*"This lack of specialisation in building practitioner registration classes allows practitioners without the necessary skills or qualifications to carry out complex or high-risk work."*

The NRF recommends low rise, mid-rise and high-rise builder registration categories with specific qualifications and experience requirements.

## 5.11. Trained and experienced building surveyors and inspectors are readily available

Addressing the shortage of building surveyors and inspectors is another priority issue.

A shortage of building surveyors and inspectors is impacting Victoria, particularly in local government. This shortage is leading to increased workloads for existing staff, delays in construction projects, and potential quality and safety issues. Contributing factors include a competitive job market, difficulties attracting and retaining qualified professionals and an aging workforce.

However, there are qualified building surveyors and inspectors unable to work as they do not have the experience required to work in the industry. For example, newly qualified building surveyors may lack sufficient practical experience to handle the complexities of the job. A cadetship program with guaranteed placements would go some way towards increasing the skills and numbers of active building surveyors and inspectors. For example, the BPC is for the first time hiring graduate building surveyors.

In addition, there are experienced building surveyors who are no longer working in the industry due to the high cost of obtaining Professional Indemnity (PI) insurance. Increased scrutiny of building standards, arising from combustible cladding, and a rise in legal claims against some building surveyors have affected PI insurance for all. One way of addressing this issue is to create metropolitan, regional and rural panels of experienced building surveyors through the BPC available as independent experts to the BPC, VCAT and the County Court and to consumers. As noted in [Section 5.8](#) above, the Victorian Government is trialling a 'Shared Service Hub' with rural councils. Recommendation 13 proposes such panels, which would address both the inherent conflict of interest for building surveyors and the shortage of building surveyors.

In its Stage One Report the Building Reform Expert Panel recommended a six-point plan;

*"to address workforce supply issues by increasing the pipeline of prospective surveyors with the capability and experience to fulfil their professional obligations."*

The plan includes bridging courses and support for other professionals and practitioners to become building surveyors, improved mutual recognition, cadetships, internships, incentives for further education and mentoring by retiring building surveyors. The Expert Panel's Stage Two Report reinforced the six-point plan and noted several early initiatives that had been recommended to improve the number and quality of building surveyors. See [Appendix H](#) for details of the Panel's recommendations.

## Recommendation 15

To address the shortage and improve the competencies of building surveyors and inspectors support work to:

- Mandate training for all building surveyors and inspectors on their statutory roles and responsibilities, the National Construction Code and the Australian Standards under the endorsement and guidance of the State Building Surveyor and in consultation with the Australian Institute of Building Surveyors and the Royal Institute of Chartered Surveyors;
- Remove the requirement to complete a course at either Holmesglen Institute of TAFE or Victoria University for the purposes of registration; and

Implement the Building Reform Expert Panel's Stage One Report 'six-point plan' to boost the number of building surveyors including:

- Developing postgraduate and bridging courses, cadetships and internships and incentives for further training;
- Improving mutual recognition arrangements; and
- Providing formal mentoring roles for retiring building surveyors.

## Recommendation 16

To improve the competency of building surveyors and inspectors, adopt the National Registration Framework for Building Practitioners categories for building surveyors. As an interim measure, consider applying conditions on registration to create a system consistent with that framework, which would also assist with mutual recognition.

To further improve the system, consideration could be given to adopting the NRF model guidance for registration, which proposed three categories of building surveyor with appropriate qualifications and competencies for assessing each class of building. [Appendix I](#) provides a guide to the NRF, scopes of work, qualifications, and experience requirements for building surveyors.

Another issue raised by consumers, industry and VCAT, and which was the subject of a recommendation in the Building Reform Expert Panel's Stage One Report concerns building consultants. A building consultant may be hired as a 'building expert' by a building owner to:

- Prepare a defects or inspection report;
- Act as their representative during construction; or
- Provide any pre-purchase property inspection reports.

Where building consultants, who are not registered or insured, prepare technical reports that are inaccurate there is no recourse or consequence.

As part of Recommendation 4 in its Stage One Report, the Building Reform Expert Panel recommended expanding and refining registration and licensing schemes to strengthen accountability, regulatory oversight and consumer protection. This included, at a minimum, registration for consultancy services such as building consultants.

It is encouraging that mandatory registration of building consultants is part of the planned expansion of building industry registration and work has commenced.

Stakeholders have also raised concerns with the poor quality and inconsistencies that often occur between reports provided by building consultants and technical experts assessing the same building issues. Biases from a consultant's or expert's commercial relationships and opinion on the extent of damages, repairs needed, potential impact of defects and associated costs along with incomplete or poorly documented reports can inflame and prolong disputes.

Faced with similar complaints about expert reports for insurance claims, the Insurance Council of Australia has introduced an Expert Report Best Practice Standard to improve the clarity and fairness of reports. The standard aims to ensure transparency, objectivity and better consumer engagement by outlining how expert reports should be generated, used and what consumers can expect including plain English, factual and neutral reporting and timely delivery.

For more detail see [Appendix H](#).

## Background

To be registered as a building surveyor or inspector, the regulations require that a person must have completed a Bachelor of Building Surveying from Victoria University or Holmesglen Institute of TAFE or an Advanced Diploma of Building Surveying. The Bachelor of Building Surveying is currently only offered by Victoria University. Building surveyors who have completed higher qualifications in other States and Territories and are accredited by AIBS and RICS have had difficulty in having their qualifications and experience recognised because these regulations. To increase the number of building surveyors and inspectors with the skills to undertake mandatory inspections on multi-storey apartment buildings additional courses could be commenced at other universities such as RMIT and Swinburne University.

It is understood that the State Building Surveyor has commenced discussions to increase the availability of graduate and post graduate courses in building surveying.

To address the prescribed qualification restriction in Victoria, the BPC is to be congratulated on its partnership with the Australian Institute of Building Surveyors (AIBS) and the Royal Institute of Chartered Surveyors (RICS). The BPC recognises the AIBS and RICS qualifications for building surveyors and inspectors that meet national qualification requirements as part of the registration process.

With respect to qualifications and courses, the Shergold and Weir Building Confidence Report noted that:

*"many stakeholders report that building practitioners across the industry do not have a sufficient understanding of the NCC or its revisions. This has led to non-compliance or poor-quality documentation of compliance."*

## Recommendation 18

- Bring forward the registration of building consultants as recommended by the Building Reform Expert Panel in its Stage One Report.
- Introduce a best practice standard for the preparation of reports by building consultants and other building experts along the lines of the standard developed by the Insurance Council of Australia.

## Recommendation 17

Rename private building surveyors and inspectors as statutory building surveyors and statutory building inspectors to better reflect their regulation role in the building system and mandate training on the National Construction Code and the Australian Standards.



## 6. WHAT ARE THE NEXT STEPS FOR THE BUILDING MONITOR?

## In 2025-26, the consultation and communication channels established in 2024-25 will be embedded and expanded.

Consumers' experiences will continue to be the core source of intelligence gathered through one-on-one meetings, 'Tell us your building story' submissions and the Consumer Reference Group. Participation in department and industry advisory committees will be ongoing.

The Building Monitor will review and assess the effectiveness of the implementation of the Government's building reform program on behalf of consumers. The Building Monitor will continue to work with the relevant departments and agencies as the consumer voice in the further development of the Government's building reform program.

Among the issues that could be further explored in 2025-26 are phoenixing, owners corporations management responsibilities and construction methods for prefabricated and modular homes.

- Where building companies deliberately liquidate to avoid their liabilities and debts - phoenixing - they leave building owners with unfinished or substandard work, costs and no recourse for compensation. While the Victorian Government is implementing measures to strengthen anti-phoenixing and related laws, there is an opportunity to consider further action.
- Owners corporations play an essential role in addressing building defects that arise from construction and/or maintenance issues. They are responsible for pursuing legal action against builders and developers for defects in the common property, which can also damage residents' apartments - for example, poor sanitary plumbing. With the increasing number of off the plan apartment sales, it is important to provide clear consumer focussed information about the regulatory framework for off the plan purchases and Owners Corporations management.

- A clearer understanding of the complexities and interrelationships of all aspects of the domestic building system would improve the transparency in the 'chain of responsibilities' for both consumers and practitioners.
- Prefabricated and modular homes have the potential to assist Victoria to meet its future housing needs. Work has commenced and the Building Monitor will continue to participate and advocate on behalf of consumers in the development of the regulatory framework.

A framework could also be developed to guide the sourcing and analysis of information and data, to report emerging issues, to identify areas where consumers are better protected and where there are opportunities for further system improvements. This framework could also consider ways of highlighting for consumers the practitioners who deliver quality domestic building work.

The Building Monitor will continue to engage with government departments and agencies and with consumer and industry organisations to ensure that consumer interests are at the centre of decisions in the implementation of the recent reforms and the development of further reforms.

# GLOSSARY AND ACRONYMS

<b>AIBS</b>	Australian Institute of Building Surveyors.
<b>BAB</b>	Building Appeals Board.
<b>BCA</b>	Building Code of Australia - Volumes 1 and 2 of the National Construction Code.
<b>BPC</b>	Building and Plumbing Commission (incorporates the Victorian Building Authority, Domestic Building Dispute Resolution Victoria and the domestic building insurance functions of the Victorian Managed Insurance Authority).
<b>Building Act</b>	<i>Building Act 1993.</i>
<b>Building Regulations</b>	Building Regulations 2018.
<b>Building Reform Expert Panel</b>	Independent Expert Panel appointed by the Victorian Government in 2020 to lead the review of the building legislative and regulatory system.
<b>Building Statement</b>	Building Statement - Strengthening Victoria's Building System.
<b>Buyer Protections Amendment Act</b>	<i>Building Legislation Amendment (Buyer Protections) Act 2025.</i>
<b>CAV</b>	Consumer Affairs Victoria.
<b>CPD</b>	Continuing Professional Development.
<b>Domestic Building Contracts Act</b>	<i>Domestic Building Contracts Act 1995.</i>
<b>Domestic Building Contracts Amendment Bill</b>	Domestic Building Contracts Amendment Bill 2025.
<b>DBDRV</b>	Domestic Building Dispute Resolution Victoria (now part of the BPC).
<b>DBI</b>	Domestic Building Insurance.

<b>DBLS</b>	Domestic Building Legal Service.
<b>HIA</b>	Housing Industry Association of Australia.
<b>The VBA Transformation Report</b>	Bronwyn Weir and Frances Hall, Victorian Building Authority - The Case for Transformation, 2024.
<b>MBAV</b>	Master Builders Association of Victoria.
<b>NCC</b>	National Construction Code.
<b>NRF</b>	National Registration Framework for Building Practitioners.
<b>PCA</b>	Plumbing Code of Australia - Volume 3 of the National Construction Code.
<b>PI Insurance</b>	Professional Indemnity Insurance.
<b>Plumbing Regulations</b>	Plumbing Regulations 2018.
<b>Residential Tenancies Act</b>	<i>Residential Tenancies Act 1997.</i>
<b>RICS</b>	Royal Institute of Chartered Surveyors.
<b>SBS</b>	State Building Surveyor.
<b>VCAT</b>	Victorian Civil and Administrative Tribunal.
<b>VCAT Act</b>	<i>Victorian Civil and Administrative Tribunal Act 1998.</i>
<b>VCAT Rules</b>	Victorian Civil and Administrative Tribunal Rules 2018.
<b>VBA</b>	Victorian Building Authority (now part of the BPC).
<b>VMIA</b>	Victorian Managed Insurance Authority (DBI function now part of the BPC).

## APPENDICES

# APPENDIX A

## Requests for information and data under section 208K of the Building Act 1993.

### Domestic Building Dispute Resolution Victoria - requested on 20 March 2025

Information and data requested:

- Agency processes and timelines;
- Onsite model processes and criteria for eligibility;
- Onsite model datasets (including name, number of complaints by practitioner, address dates, defects and outcome);
- Disputes dataset (including name, number of complaints by practitioner, address dates, defects and outcome); and
- Any required explanatory notes for datasets.

### Victorian Managed Insurance Authority - requested on 20 March 2025

Information and data requested on a yearly basis for the period 1 July 2023 to 30 June 2024:

- Policy data (including builder name, property address, date issued, costs and types of works insured, contract values);
- Claims lodged (including builder name, property address, paid amount);
- Aggregated VCAT Order claims data;
- Aggregated defects data;
- VMIA insures builder insolvency listing; and
- Any required explanatory notes for datasets.

### Victorian Building Authority - requested on 27 March 2025

Information and data requested on a yearly basis for the period 1 July 2019 to 30 June 2024:

- Registered builders, plumbers and surveyors (including practitioner name, companies/individual type, licence class, licence status);
- Complaints raised (including name of complainant, practitioner name/licence number, site address, date raised, close date (if outcome), status, outcome detail);
- Plumbing certificates issued (including practitioner name, site address, certificate issue date, costs of work, type of work);
- Building permits issued (including practitioner name, registration number, site address, permit issue date, description of building works, estimated costs); and
- Any required explanatory notes for datasets.

### Domestic Building Dispute Resolution Victoria - requested on 15 May 2025

Information and data requested on a yearly basis for the period 1 July 2018 to 30 June 2024:

- Number of domestic building disputed issues by type (defective work, incomplete work, delays, payments, contracts and any other categories) - total and by metropolitan and regional;
- Number of domestic building disputes accepted - total and by metropolitan and regional;
- Number of domestic building disputes not accepted - total and by metropolitan and regional;
- Top 10 domestic building defects - total and by metropolitan and regional;
- Number of disputes closed by type of closure - total and by metropolitan and regional;
- Average time from lodgement of dispute to closure of dispute - total and by metropolitan and regional; and
- Number of disputes referred to VCAT by type - total and by metropolitan and regional.

# APPENDIX B

## Consultation and activities.

The Building Monitor consulted extensively with consumers both directly and through consumer advocacy groups and advocated for improvements to the building system through regular participation at government advisory committees and by participating in government workshops and working groups.

### Consultation with consumers\*

More than 108 meetings (in person, phone conferences or online) with consumers and groups of consumers.

Follow up actions were also undertaken in addition to the above.

Advocacy Activities included:

- Meetings (in person or online) with the Consumer Action Law Centre
- Meeting with the Commissioner for Residential Tenancies
- Meetings with the founder and Director of Housing all Australians
- Meetings with the co-founder and Director of Quipex, a cloud based real time building data and compliance rating system
- Meetings with the Australian Apartment Advocacy CEO

- Meeting with the director and founder of Vettex; a builder due diligence system
- Meetings with the President of the Builders Collective
- Regular participation and advocacy on behalf of consumers at monthly meetings as a member of the Building Regulation Advisory Committee
- Regular participation and advocacy on behalf of consumers at quarterly meetings as a member of the Plumbing Advisory Council
- Regular participation and advocacy on behalf of consumers at meetings and workshops as a member of the VBA's Plumbing Special Advisory Panel
- Regular participation and advocacy on behalf of consumers at meetings and workshops as a member of the VBA's Building Special Advisory Panel.

### Policy workshops and working groups

Regular participation and advocacy on behalf of consumers in government workshops and working groups on domestic building and plumbing policy reforms.

\*As of 25 July 2025

# APPENDIX C

## Building Monitor's Consumer Reference Group.

The Building Monitor's Consumer Reference Group provides advice to the Building Monitor by identifying priority issues experienced by domestic building consumers, and possible solutions or changes to improve consumer protection.

The Reference Group is chaired by the Building Monitor and includes three consumers with lived experiences of building defects and building system issues and two expert/consumer advocates.

Membership of the Consumer Reference Group is balanced with consumers and experts to ensure different parts of the domestic building and plumbing system are represented.

The Consumer Reference Group will meet quarterly, and members will also participate in workshops to assess the consumer benefits of current and future reforms.

Secretariat support to the Reference Group will be provided by the Office of the Building Monitor.

# APPENDIX D

## Interstate comparison of stay hearing requirements.

### Interstate Statutory Requirements for Stay Hearings

Requirements	NSW <sup>1</sup>	QLD <sup>2</sup>	WA <sup>3</sup>	SA <sup>4</sup>	Victoria
Administrative decision may be stayed if an application for review has been made.	YES	YES	YES	YES	YES
Application may be made by any party to review proceedings.	YES	YES	YES	YES	YES
Tribunal may initiate stay hearing.		YES	YES	YES	YES
Factors to be considered for stay:					
• the interests of any affected person	YES	YES	YES		
• submission from the maker of the administrative decision	YES	YES	YES		YES
• public interest.	YES	YES	YES		
Stay order appropriate to secure the effectiveness of the determination of the application.	YES				
Stay order just and reasonable in the circumstances.					YES
Stay order desirable.	YES	YES	YES		
May order stay without opportunity to be heard/make submissions. ( <i>If urgent or not practical - NSW and Queensland</i> )	YES	YES	YES		YES
Administrative decision maker must have opportunity to be heard/make submissions.	YES				
May impose conditions.	YES	YES		YES	YES <sup>5</sup>
May require undertaking as to costs and damages.		YES	YES		YES
May revoke/lift a stay order.	YES	YES	YES	YES	YES
May vary a stay order.	YES			YES	

1 Sections 60, 61 and 62 of the NSW *Administrative Decisions Review Act 1997*.

2 Section 22 of the Queensland *Civil and Administrative Tribunal Act 2009*.

3 Section 25 of the WA *State Administrative Tribunal Act 2004*.

4 Section 36 of the South Australian *Civil and Administrative Tribunal Act 2013*.

5 Section 50(5)(b) of the Victorian *Civil and Administrative Tribunal Act 1998* makes provision for the lifting of the order if specified conditions are met.

# APPENDIX E

## National Registration Framework guide to proposed registration classes for plumbers and plumbing designers.

### Discipline: Plumbing

Level	Experience	Qualification	NCC accreditation	PII	Core competencies
2	4 yrs	Diploma of plumbing and services with units relevant to one or more prescribed systems.	NCC Vol. Three	N/A	A licensed plumber level 2 with NCC Volume Three accreditation only is competent to do: <ul style="list-style-type: none"> <li>• Plumbing work</li> <li>• Declaration of installation compliance, and</li> <li>• Independent construction or installation inspection for each endorsed system for a building of any NCC Class or size.</li> </ul>
	4 yrs	Certificate IV in plumbing and services with units relevant to one or more prescribed systems.			
	5 yrs	Certificate III in plumbing with units relevant to one or more prescribed systems.			
3	2 yrs	Certificate III in water services plumbing with units relevant to one or more prescribed systems.	NCC Vol. Three	N/A	A licensed plumber level 3 with NCC Volume Three accreditation is competent to do plumbing work under supervision of a licensed plumber level 2.

### Definitions

- **Plumbing work** means the construction, installation, replacement, repair, alteration, routine servicing, maintenance, testing or commissioning of any part of a *prescribed plumbing system* for a building.
- **Licensed plumber** is an individual licensed to do plumbing work.

### Prescribed plumbing systems

- Cold water services: NCC Part B1
- Heated water services: NCC Part B2
- Non-drinking water services: NCC Part B3
- Fire-fighting water services: NCC Part B4
- Cross connection control: NCC Part B5
- Rainwater harvesting and use: NCC Part B6
- Sanitary plumbing systems: NCC Part C1
- Sanitary drainage systems: NCC Part C2
- On-site wastewater management: Standards Australia AS/NZS 1546

Source: NRF Table 3. Taxonomy for Building production, Design and Table 4 - Taxonomy for Building production, Construction. Key to registration levels for plumbers- 2: Plumber and 3: Restricted Plumber. Key to registration levels for plumbing designers- 2: Unlimited and 3: Medium-Rise.

## Discipline: Builder Designer

Level	Experience	Qualification	NCC accreditation	PII	Core competencies
2	3 yrs	Diploma in plumbing with units relevant to one or more prescribed systems.	NCC Vol. Three	PII accredited relevant to unlimited plumbing design work.	<p>A registered plumbing designer level 2 with NCC accreditation and PII accreditation is competent to do:</p> <ul style="list-style-type: none"> <li>• Plumbing work</li> <li>• Declaration of design compliance for plumbing design work</li> <li>• Independent design review of plumbing design work, and</li> <li>• Independent construction or installation inspection of plumbing design work for each endorsed system for a building of any NCC class or size.</li> </ul>
3	3 yrs	Certificate IV in plumbing and services with units relevant to one or more prescribed systems.	NCC Vol. Three	PII accredited relevant to medium-rise plumbing design work.	<p>A registered plumbing designer level 2 with NCC accreditation and PII accreditation is competent to do:</p> <ul style="list-style-type: none"> <li>• Plumbing work</li> <li>• Declaration of design compliance for plumbing design work</li> <li>• Independent design review of plumbing design work, and</li> <li>• Independent construction or installation inspection of plumbing design work for each endorsed system for a building of any NCC class or size.</li> </ul>

## Definitions

- **Plumbing design work** means the development of construction design documentation specifications and report for a prescribed plumbing system for a building, but does not include professional engineering design work.
- **Registered plumbing designer** is an individual registered at level 2 or level 3 in the discipline of plumbing design and endorsed to design one or more prescribed plumbing systems.

## Prescribed plumbing systems

- Cold water services: NCC Part B1
- Heated water services: NCC Part B2
- Non-drinking water services: NCC Part B3
- Fire-fighting water services: NCC Part B4
- Cross connection control: NCC Part B5
- Rainwater harvesting and use: NCC Part B6
- Sanitary plumbing systems: NCC Part C1
- Sanitary drainage systems: NCC Part C2
- On-site wastewater management: Standards Australia AS/NZS 1546
- Medium-rise building means NCC Class 1 and 10 buildings, and for NCC Class 2 to 9, buildings to a maximum of six storeys above a storey used for the parking of vehicles.

# APPENDIX F

## National Registration Framework guide to proposed registration classes for builders.

### Discipline: Builder

Level	Experience	Qualification	NCC accreditation	PII	Core competencies
1	3 yrs	Degree in construction management	NCC Vol. One and Two	PII accredited relevant to unlimited building project management work if applicable	A registered builder (individual) level 1 with NCC accreditation is competent to do: <ul style="list-style-type: none"> <li>• Building work</li> <li>• Building supervision</li> <li>• Declaration of construction or installation compliance</li> <li>• Independent construction or installation inspection, and</li> <li>• Building project management work for a building of any NCC class or size.</li> </ul>
	5 yrs	Advanced diploma in construction management			
	7 yrs	Diploma in building and construction			
2	3 yrs	Diploma in building and construction	NCC Vol. One and Two	N/A	A registered builder (individual) level 2 with NCC accreditation is competent to do: <ul style="list-style-type: none"> <li>• Building work</li> <li>• Building supervision</li> <li>• Declaration of construction or installation compliance, and</li> <li>• Independent construction or installation inspection for a medium-rise building.</li> </ul>
3	3 yrs	Certificate IV in building and construction	NCC Vol. One and Two	N/A	A registered builder (individual) level 3 with NCC Vol. One and Two accreditation is competent to do: <ul style="list-style-type: none"> <li>• Building work</li> <li>• Building supervision</li> <li>• Declaration of construction or installation compliance, and</li> <li>• Independent construction or installation inspection for a low-rise building.</li> </ul> A registered builder (individual) level 3 with NCC Vol. Two accreditation is competent to do: <ul style="list-style-type: none"> <li>• Building work</li> <li>• Building supervision</li> <li>• Declaration of construction or installation compliance, and</li> <li>• Independent construction or installation inspection for a low-rise building.</li> </ul>

### Definitions

- **Building work** means the construction, assembly, alteration or extension of a building or part of a building.
- **Building supervision** means the management and supervision of *building work*.
- **Building project management work** is arranging and managing the planning, design, approval, construction, commissioning and occupation of a building project on behalf of the owner.
- **Builder (individual)** means an individual *registered* at level 1, level 2 or level 3 in the discipline of builder (individual).
- **Statutory supervisor** means a registered building supervisor named as a director or nominated as supervisor of a *registered building contractor*.
- **Registered building contractor** means a business registered under state or territory building laws and permitted to contract for and be named on the building permit for *building work*.

Source: NRF Table 4. Taxonomy for Building production, Construction. Key to registration: levels 1: Unlimited/Commercial; 2: Medium-Rise/Commercial; and 3: Low-Rise/Residential.

# APPENDIX G

## National Construction Code Building Classes.



### Class 1

#### Domestic or residential buildings

Single, standalone single houses and horizontally attached houses, such as terrace houses, row houses or townhouses.

##### This class includes two sub-classifications:

- **Class 1a** - a single dwelling or one of a group of attached dwellings, e.g. a terrace house
- **Class 1b** - a boarding house, guest house or hostel with a floor area less than 300 m<sup>2</sup>.



### Class 2

#### Domestic apartment buildings

A building containing two or more sole-occupancy units where people live above, beside or below each other. This class may also include single storey attached dwellings with a common space below, such as a carpark.



### Class 10

#### Non-habitable structures

##### Includes three sub-classifications:

- **Class 10a** - sheds, carports, private garages
- **Class 10b** - fences, masts, antennas, retaining walls
- **Class 10c** - private bushfire shelter.

# APPENDIX H

## Building Reform Expert Panel - recommendations on the supply and training of building surveyors.



### Stage One Report

#### Six-point Plan

- Recognise existing, and encourage the establishment of new, postgraduate and graduate bridging courses for architects, engineers, and other building practitioners to enable them to become registered as building inspectors and building surveyors.
- Provide support for other building practitioners (e.g. builders) to undertake a building surveyors' degree and obtain the necessary qualifications and experience to practice as a registered building surveyor.
- Improve mutual recognition arrangements to enable competent, experienced building surveyors from other jurisdictions to work in Victoria.
- Establish cadetship and internship arrangements within building surveying businesses and local councils to provide work experience and ongoing professional development for new building surveyors. These could be developed in partnership with professional and industry associations.
- Develop incentives to support new building surveyor course entrants and existing building surveyors to undertake further education to underpin continued improvement. This work could also be undertaken in partnership with professional associations.
- Support building surveyors considering retirement to play formal mentoring roles in training institutions and professional associations.



### Stage Two Report

#### Stage Two noted early initiatives recommended to the Victorian Government with respect to building surveyors

Work with the Victorian Skills Commissioner and universities to:

- Develop bridging courses and a pilot Recognition of Prior Learning project for appropriately qualified building professionals (e.g., architects and engineers) who are interested in completing building surveyor qualifications;
- Remove the Building Regulations which do not recognise building surveyors' and inspectors' qualifications unless they have completed courses at either Holmesglen or Victoria University;
- Develop a pathway for experienced builders who would like to qualify as registered building surveyors;
- Remove the barriers to accessing Free TAFE assistance if a potential student already has a degree or has commenced and not completed a degree course;
- Recognise a broader suite of appropriate qualifications that are acceptable to register as a building surveyor or inspector in Victoria; and
- Work with universities to promote building surveyor post graduate courses to attract architects, engineers and other professionals to a career in building surveying.
- Establish a supervised practical training scheme for both TAFE and post graduate building surveying graduates.

# APPENDIX I

## National Registration Framework guide to proposed registration classes for building surveyors.

### Discipline: Building Surveyor

Level	Experience	Qualification	NCC accreditation	PII	Core competencies
1	3 yrs	Honours degree in building surveying.	NCC Vol. One and Two	PII accredited relevant to unlimited statutory building surveying work.	A building surveyor level 1 with NCC and PII accreditation is competent to do statutory building surveying work and advisory building surveying work for a building of any NCC Class or size.
	3 yrs	Degree in architecture, engineering, building or building surveying and a graduate diploma in building surveying.			
	N/A	Registration as a building surveyor level 1 in any state or territory.			
2	2 yrs	Advanced diploma in building surveying.	NCC Vol. One and Two	PII accredited relevant to medium-rise statutory building surveying work.	A building surveyor level 2 with NCC and PII accreditation is competent to do statutory building surveying work and advisory building surveying work for medium-rise buildings.
	N/A	Registration as building surveyor level 2 in a state or territory.			
3	1 yr	Completion of the Skill Set CPC@00004 plus additional units CPCCBS6003 and CPCCBS6016.	NCC Vol. One and Two	PII accredited relevant to low-rise statutory building surveying work.	A building surveyor level 3 with NCC and PII accreditation is competent to do statutory building surveying work and advisory building surveying work for low-rise buildings.
		Registration as building surveyor level 3 in a state or territory.			

### Definitions

- **Building approval authority** means the legal entity that authorises construction or occupation of a building under building approval legislation of a state or territory.
- **Approval work** means acting as the *building approval authority* to authorise construction or occupation of a building under building approval legislation.
- **Certifying** means forming an opinion or giving a certificate required under building approval legislation that a building complies with the NCC and other relevant state or territory legislation.
- **Statutory building surveying work** means *approval work, independent design review, independent consultation or installation inspection*, and certifying which building approval legislation requires to be done by a registered building surveyor.
- **Advisory building surveying work** means providing advice on the legislative compliance requirements for proposed and completed *building work, independent design review, independent consultation or installation inspection*.
- **Building surveyor** is an individual registered in the discipline of building surveying.
- **Medium-rise building** means a Class 1 and 10 building of any size, and Class 2 to 9 building no greater than 3 storeys and 2,000m<sup>2</sup> in area.
- **Low-rise building** means NCC Class 1 and 10 buildings.

Source: NRF Table 6. Taxonomy for Building Approvals, Compliance. Key to registration levels - 1: Limited; 2: Mid-Rise and 3: Low-Rise.



# BUILDING MONITOR

