

An aerial, black and white photograph of the Melbourne city skyline, showing a dense cluster of skyscrapers and buildings, with a prominent church spire in the lower right quadrant.

VBA VICTORIAN
BUILDING
AUTHORITY

ANNUAL REPORT

2024-25

Acknowledgements

Aboriginal acknowledgement

The VBA respectfully acknowledges the Traditional Owners and custodians of the land and water upon which we rely. We pay our respects to their Elders past and present. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life.

We embrace the spirit of reconciliation, working towards equality of outcomes and an equal voice.

About this report

Welcome to the Annual Report for the Victorian Building Authority (VBA) for the year ending 30 June 2025. The Annual Report is prepared in accordance with the *Financial Management Act 1994* (FMA), relevant Australian Accounting Standards (AAS) and interpretations, Standing Directions and Financial Reporting Directions (FRDs).

On Thursday 24 October 2024, the Minister for Planning, The Hon. Sonya Kilkenny MP, announced the formation of Victoria's new integrated building and plumbing regulator – the Building and Plumbing Commission (BPC). The BPC began operations on 1 July 2025.

This new agency will bring together the Victorian Building Authority (VBA), Domestic Building Disputes Resolution Victoria (DBDRV) and the Domestic Building Insurance (DBI) function of the Victorian Managed Insurance Authority (VMIA). The information contained within this report does not include information regarding the operations of the newly merged agency, the DRBRV, or the DBI function of the VMIA.

VBA's Financial Management Compliance Attestation Statement

I Anna Cronin, on behalf of the Responsible Body, certify that the Victorian Building Authority has no Material Compliance deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Building Authority's Annual Report for the year ending 30 June 2025.



Anna Cronin
Commissioner & CEO
Victorian Building Authority
25 September 2025

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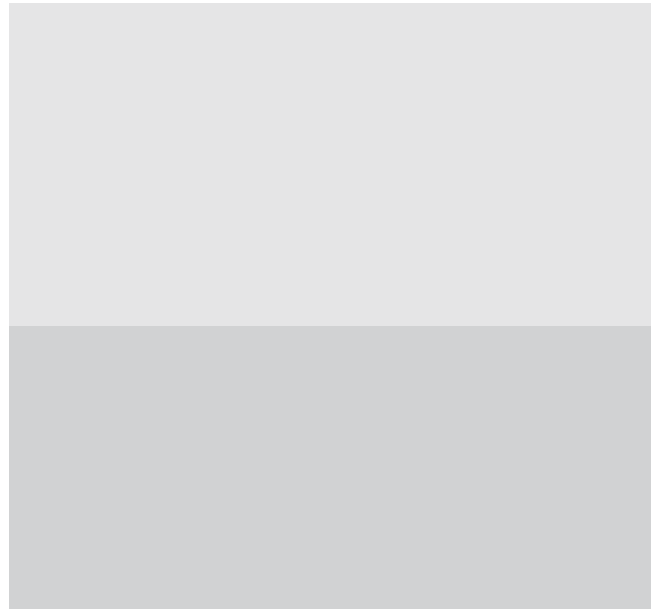
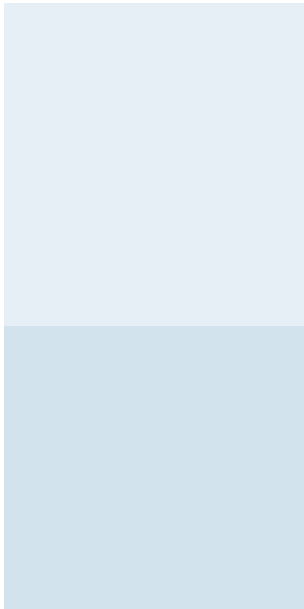


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Year in review





We Regulate, We Educate, We Engage

We Regulate

548,613

Compliance certificates lodged by plumbers

100,232

Building permits reported

67,923

Registered or licensed building and plumbing practitioners

6,308

New building permits inspected

5,644

Plumbing audit and drainage inspections

3,924

Owner-builder certificates of consent issued

92

Building Documentation Audits

We Educate

4,965

Attended a Practitioner Education Series webinar

19

Bulletins and industry alerts sent to practitioners

124

Practitioner education social media posts

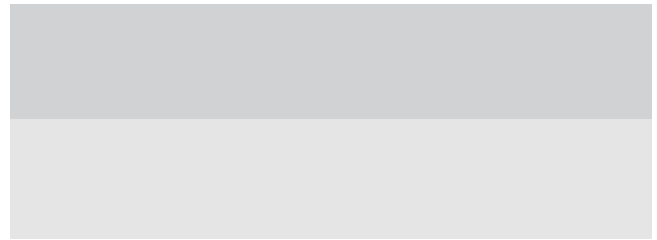
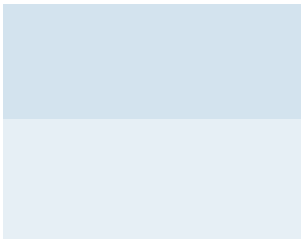
1.2 million

Views of practitioner education social media content

17

Research projects underway





We Engage

7.4 million

Content views on the VBA's social media channels

5.3 million

Visits to VBA website

672,642

Emails sent to practitioners and consumers

306,652

Engagements on social media

202,465

Telephone and email enquiries handled by our Consumer & Practitioner Services team

16,848

New social media followers

16,358

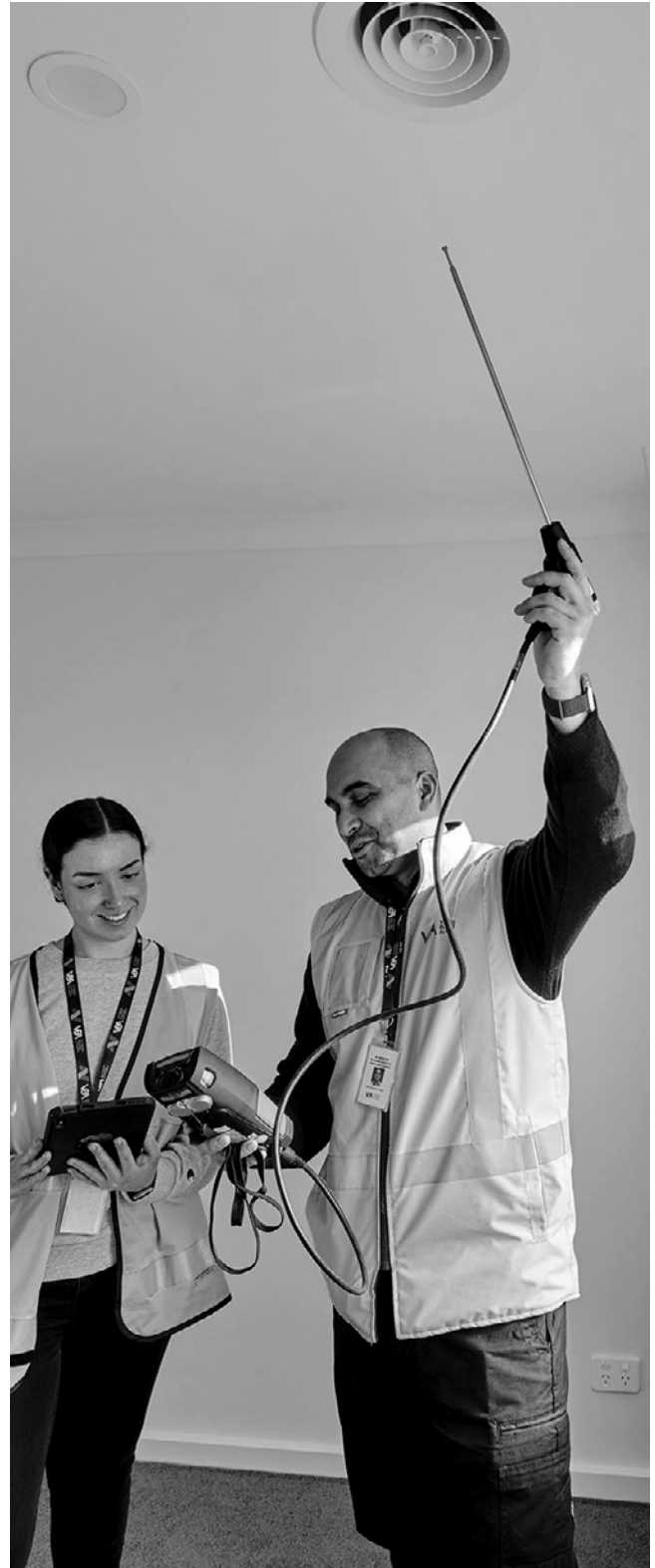
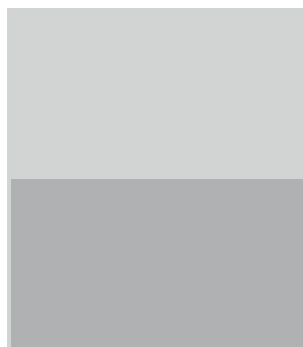
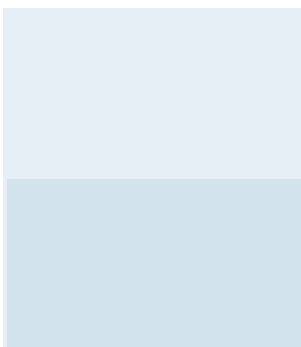
Building technical queries responded to

14,422

Plumbing technical queries responded to

635

Attendees at VBA Conferences



About the VBA

As the building and plumbing regulator in Victoria, the Victorian Building Authority's (VBA) role is to prioritise consumers, the people who live, work, and occupy buildings across Victoria and strive to increase their confidence in the building industry.

The VBA regulates for better consumer protection and is committed to safety, compliance, and buildings that last.

What we do:

- register and license building and plumbing practitioners,
- improve industry compliance with building and plumbing standards through advice, directions, inspections, and audits,
- use enforcement powers when appropriate to achieve compliance, and acts in the public interest,
- apply intelligence and data, including research and analytics, to better inform our regulatory strategy; and
- use and share our technical knowledge and expertise to improve the regulatory system, and to support builders, plumbers and other practitioners in the delivery of positive consumer outcomes.



Strategic Direction

The VBA's Regulatory Policy Statement explains how the VBA uses its powers to regulate the building and plumbing systems.

Our fundamental goal is to improve consumer outcomes. This requires effective industry regulation and support for consumers.

Improving our performance as a regulator

The VBA prioritises its resources and regulatory effort on those areas which pose the greatest risk of harm to consumer outcomes.

We commit to:

- focusing on consumer outcomes through our regulatory activities,
- communicating clearly how we regulate practitioners and our expectations of all practitioners
- using our regulatory tools effectively and in a timely manner; and
- taking corrective action – including removal of practitioners from the industry – to improve the safety and quality of the built environment.

Prioritising our effort

The VBA directs its regulatory actions to where the potential harm to consumers is greatest, and where our regulatory powers can have the most impact.

Examples include targeting specific practitioners, undertaking inspections and investigations on specific harms to consumers and conducting research and educating industry on emerging areas of harm.

Our compliance approach

Industry and the community expect a fair and proportionate approach to regulation that is tough on those who compromise safety and standards and reduces the regulatory burden on those doing the right thing.

This is the essence of our 'harms-based approach' to regulation: the VBA uses enforcement actions where there is a safety or non-compliance risk, or where a practitioner has a history of poor performance.

Data and intelligence-led

The VBA uses intelligence from a range of sources to help focus efforts. This includes internal data from audits and inspections, industry tip-offs, information from other agencies and consumer reports.

We also use a practitioner's history to inform our regulatory focus and response to non-compliance.

Our tools and powers

Our tools range from providing education and advice to help practitioners maintain competency, as well as sanctioning and using disciplinary powers to directly address poor practitioner behaviour.

The VBA has recently expanded its use of its full suite of powers. The result of this expansion means using powers which have not been used often in the past, including:

- using Directions to Fix and rectification notices to require practitioners to remedy non-compliant work,
- seeking maximum penalties to enforce our expectations and change practitioner behaviour; and
- using our registration, licensing and disciplinary powers to remove practitioners from the building and plumbing system who put consumers at risk.

Our services and regulatory functions

- Registering and disciplining building practitioners.
- Registering, licensing and disciplining plumbers.
- Undertaking inspections, investigations, and audits to enforce compliance with relevant legislation.
- Responding to public enquiries about the building and plumbing industries.
- Issuing owner-builder certificates of consent.
- Overseeing the work of building practitioners and plumbers and Victoria's building permit system.
- Providing expert technical advice and informed solutions to industry.
- Overseeing the security of payments.
- Performing functions of a Municipal Building Surveyor (MBS) when declared by the Minister, under the Act and under other legislation.
- Working with other agencies and regulators to ensure practitioner compliance and to protect consumers.
- Publishing data for building and plumbing practitioners to boost transparency.
- Undertaking and promoting research relevant to the regulation of the building and plumbing industries.
- Developing and delivering education material for industry and consumers to promote compliance.
- Collecting building permit data and levies and issuing building permit numbers.
- Support the resolution of consumer complaints about work carried out by building practitioners and plumbers.
- Participating in national and state forums on building reforms and the development of national building and plumbing standards, and informing government and industry decision-making.

Manner of establishment

The VBA is an authority established under the *Building Act 1993* (the Act).

Responsible Minister

The responsible Minister from 1 July 2024 to 18 December 2024 was the Hon. Sonya Kilkenny MP, Minister for Planning.

The responsible Minister from 19 December 2024 to 30 June 2025 was the Hon. Harriet Shing MP, Minister for Housing and Building.



The Commissioner and Chief Executive Officer's Report

This year has been defined by the VBA's transformation, as we laid the foundations for a consumer-focused building system with the establishment of the Building and Plumbing Commission (BPC).

At the heart of our transformation is a commitment to increasing the confidence of consumers to purchase a new residential build, buy-off-the-plan or renovate.

When I was appointed VBA CEO in 2023, one of the first things I did was publish a new Regulatory Policy Statement.

The Statement clearly sets out the obligations of all participants in the building system, including builders, plumbers, and building surveyors, and the responsibility each of them has to ensure their work is undertaken safely and compliantly.

In October last year, plans for a new building and plumbing regulator were announced by the Government, and the Building and Plumbing Commission's (BPC) future role as a consumer focused, one-stop-shop for building and plumbing regulation was born.

In the months that followed, staff from the VBA, Domestic Building Dispute Resolution Victoria (DBDRV) and the domestic building insurance part of the Victorian Managed Insurance Authority (VMIA) worked in partnership to establish the BPC on 1 July 2025.

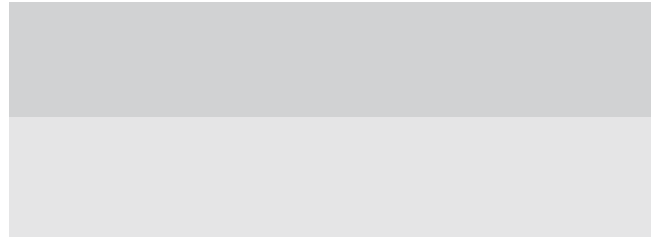
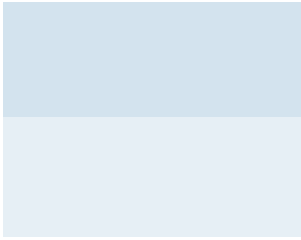
It was a great achievement to bring these entities together as the BPC in eight months, and a credit to the significant efforts of logistical teams across each of the three agencies, coordinated by the VBA's Head of Strategy and Risk, Dr Todd Bentley.

On top of our transformation into the BPC, the leadership team and I have been overhauling the core functions of the VBA as a regulator; licensing and registration; inspections and enforcement.

Recognising that we need to overcome technology and systems limitations, as well as other legacy issues, a clear plan has been developed to:

- significantly uplift our enforcement activities,
- improve our way of dealing with consumer complaints,
- complete more investigations; and use data and intelligence to identify risky building sites and target rogue practitioners,
- refocus our inspection regime on higher risks which require our advanced technical skills,
- target the areas of greatest risk to consumers; and
- commencing much needed reform in our licensing and registration systems so that we are more efficient and effective in our practitioner approvals role.

One example of our new approach to managing risks is the way we have re-scoped our inspections, for example using inspection 'blitzes' targeted at particular risks such as water ingress on balconies and unregistered or unlicensed people doing regulated work. A tip-off form is also now making it easier for consumers and practitioners to make reports to the VBA and has provided us with valuable intelligence.



As a result of this significant change in our proactive posture, we have been more active in the courts, prosecuting 21 builders and plumbers, as well as issuing 49 immediate suspensions and cancellations. At the end of the financial year, there were 60 prosecution activities underway.

The VBA has also increased our presence in the community by attending events targeted at consumers and tradespeople and revamped our media and social media strategies. This has resulted in 7.4 million views on social media, four million more than last year, and almost 17,000 new followers across our channels – amplifying and promoting our role as an effective regulator.

Looking ahead, the fundamental improvements we are making in core regulatory activities are vital for us to lay the foundations for the successful performance of the new commission.

Finally, I would like to thank the dedicated staff who have made such outstanding contributions to boosting our capacity and performance and would also like to thank our industry partners for their support. We have made significant inroads in the last year and I look forward to continuing to lead significant reforms at the new BPC.



Anna Cronin
VBA Commissioner and CEO



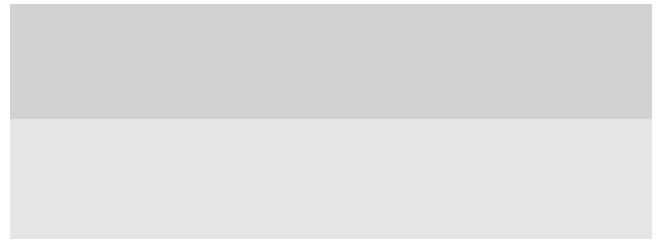
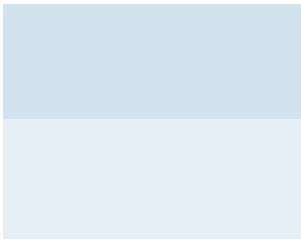
The State Building Surveyor's Report

In February 2024, the Building Act was amended to make the State Building Surveyor (SBS) a statutory position, and to introduce the functions of the SBS. It was with immense gratitude and a profound sense of duty that I was appointed to this role in August 2024.

This role carries with it significant responsibility, and I am deeply honoured to have been entrusted with this position. In this role I will:

- be the primary source of technical expertise for building and plumbing work,
- support improvements to building surveyor performance,
- improve technical capability across industry,
- encourage improvements to regulatory oversight and practice,
- provide strategic and regulatory advice on enhancing the standards and requirements of work in the building and plumbing industries and to the building system regulators,
- use data and trends to inform potential system reforms and enabling decisions to be made in relation to strategic and regulatory issues within the building and plumbing industries; and
- monitor and report on the performance of building surveyors and councils in the delivery and performance of their building control functions as co-regulatory partners.





With more than three decades of experience in local government as a qualified building surveyor and fire engineer, my career has been dedicated to ensuring building safety and compliance. The safety, sustainability, and quality of our buildings is not just a professional mandate to me as a building surveyor, but a moral obligation to our community.

I would like to thank my predecessor Andrew Cialini for the contribution he has made to improving the technical expertise at the VBA.

As Victoria's first State Building Surveyor, Andrew uplifted our response to regulating complex building matters and provided greater clarity, guidance and information to industry. Andrew's leadership and dedication have been exemplary in setting a strong foundation for me to build upon.

With a team of senior technical professionals, the Office of the State Building Surveyor provides strong leadership, specialist expertise and stakeholder engagement capabilities.

This allows for the monitoring of building sector performance, the identification and management of emerging risks, the implementation of education programs, and to influence regulatory reforms and process changes to promote sector best practice.

I recognise the shared responsibilities held by councils to administer and enforce key parts of the Building Act and Regulations, perform building control functions, and maintain community infrastructure are vital to the safety and wellbeing of our communities.

To support councils, I recently established a dedicated team of experienced building surveyors with the responsibility of engaging with and supporting councils and their municipal building surveyors (MBS) to meet their obligations.

By working closely together with councils, industry professionals, and the community, I know that we can significantly improve building standards for Victorians.



Steven Baxas
State Building Surveyor

Financial summary

Table 1: VBA five-year financial summary

	(\$ million)				
	2024-25	2023-24	2022-23	2021-22	2020-21 ¹
Building permit levies	49.6	46.2	44.8	42.8	39.8
Cladding rectification levy	-	-	-	-	20.4 ²
Practitioner registration and licences	30.3	29.9	22.4	13.5	12.0
Plumbing compliance certificates	21.5	18.8	19.1	17.8	16.0
Other income	31.0	13.2	27.4	16.7	52.1
Total income	132.4	108.1	113.7	90.8	140.3
Total expenses	119.2	107.2	105.3	98.2	124.5
Other income flows	0.2	0.2	0.5	0.2	-
Net result from continuing operations	13.4	1.1	8.9	(7.2)	15.8
Current assets	79.9	62.0	62.5	43.0	55.5
Non-current assets	23.6	20.5	16.7	17.9	17.7
Total assets	103.5	82.5	79.2	60.9	73.2
Current liabilities	35.2	33.5	32.5	29.1	38.6
Non-current liabilities	23.6	17.8	16.6	12.7	8.7
Total liabilities	58.8	51.3	49.1	41.8	47.3
Net assets	44.7	31.3	30.1	19.1	25.9
Net increase/(decrease) in cash and cash equivalents	17.9	(0.9)	20.1	(13.1)	(55.6)

1: The prior year results included CSV net result of \$34.1 million for five months prior to its separation from the VBA on 1 December 2020.

2: Includes cladding rectification levy \$20.4 million (2019-20: \$19.3 million).



In 2024–25, the VBA recorded a net surplus from continuing operations of \$13.4 million, representing a \$12.3 million improvement on the prior financial year. This result was primarily driven by the receipt of \$18.8 million in grant funding from the Department of Transport and Planning (DTP) to support the Integrated Regulator Program.

When isolating the impact of this and other government-funded programs, the VBA’s core regulatory operations reflect an underlying deficit of \$1.2 million. This adjusted result provides a more accurate view of the financial performance of VBA’s ongoing regulatory activities as represented in the table below:

Table 2: VBA five-year financial summary (continued)

			(\$ million)
Net operating segment reporting	BAU	Government funded programs	Total
Total income	106.5	26.1	132.6
Total expenses	107.7	11.5	119.2
Net result from continuing operations	(1.2)	14.6	13.4

Current year – financial review

Overview

The VBA's overall financial position for 2024-25 has been positively impacted by funding received for the establishment of the Building and Plumbing Commission (BPC), with most expenditures in this regard to occur in 2025-26. The operating result for 2024-25 is \$13.4 million surplus.

The VBA's regulatory functions income increased by \$7.6 million in 2024-25. This can be attributed to increased collections of General and Domestic Building Dispute Resolution Victoria (DBDRV) building permit levies. The VBA generated \$21.5 million revenue from plumbing compliance certificates, a \$2.7 million increase compared to 2023-24.

Grant income, mainly received from the Department of Transport (DTP) on behalf of the Victorian Government, totalled \$26.1 million, an increase of \$16.8 million compared to 2023-24.

Total expenditure for 2024-25 increased \$12.0 million to \$119.2 million, compared to \$107.2 million in 2023-24. This increase was attributed to employee benefits, including payment of a cost-of-living allowance, increases in superannuation rates and insurance costs, offset by a reduction in government program expenditures, namely the conclusion of the Statewide Cladding Audit.

Financial position – cash holdings

Cash holdings at the end of the year were \$76.7 million, a \$17.9 million increase compared to 2023-24 (\$58.8 million). This was primarily due to funding received from DTP for the establishment of BPC.

Total assets amounted to \$103.5 million and liabilities increased to \$58.8 million, driven by increases in operating lease obligations and employee-related provisions.

The VBA maintains sufficient cash reserves to meet its short-term obligations and continues to explore opportunities to improve its financial sustainability for the longer term.

Contributions, Transfers and Research Grant Payments

The VBA contributed \$1 million to the Australian Government Department of Industry, Science, and Resources, as Victoria's contribution to the Australian Building Codes Board (ABCB).

In addition, the VBA contributed \$1.7 million to the DTP's Building Policy Unit.

The VBA paid \$0.1 million in grants to five universities under its Research Grant Program to support research that will help provide an evidence base to inform regulatory decisions and influence improvements to the building regulatory system and quality of the built environment in Victoria.





In 2024-25, the VBA paid \$110.3 million of the Cladding Rectification Levy, of which, \$71.8 million was transferred to Cladding Safety Victoria and \$38.5 million was transferred to the DTP for the Cladding Remediation Partnership Program and other related projects.




The VBA collected a portion of building permit levies and domestic building registration fees to fund services by DBDRV, costs relating to the Victorian Civil and Administrative Tribunal (VCAT) under its Building and Property List, and other costs for the administration of the *Domestic Building Contracts Act 1995*. These funds are transferred to Consumer Affairs Victoria (CAV) every month to administer the Domestic Builders Fund. For 2024-25, \$16.4 million was transferred to CAV and \$5 million was transferred to Department of Justice and Community Safety.


Performance against Minister's Statement of Expectations


In November 2023, the Minister for Planning issued the current Statement of Expectations to the VBA.

Table 3: VBA reporting against Minister's Statement of Expectations



Key		
Blue	Complete	
Green	In progress	
Dark Grey	Ongoing	
Light Grey	On hold	



Expectation	Priority Activity	Status	FY25 update
1. RISK-BASED APPROACH TO COMPLIANCE AND ENFORCEMENT To facilitate practitioner compliance, I expect the VBA to take fair, firm, risk-based compliance, and enforcement action that holds practitioners to account, keeps Victorians safe and contributes to quality build outcomes for consumers.	Inspect and monitor building works using a risk-based approach.		COMPLETE
	Publish Compliance and Enforcement Policy by December 2023.		COMPLETE
	Inspect and monitor building works using a risk-based approach.		<p>VBA exceeded its annual target of 2,500 sites brought into compliance against the Department Performance Statement performance measure 'High and medium risk non-compliances addressed through inspections activity', reporting a full-year result of 2,915 sites.</p> <p>In December 2024, the VBA's Inspectorate was reorganised into planned, responsive and strategic streams to enable our regulatory coverage to better support consumer outcomes. Our data and intelligence capability also played a crucial role in selecting building sites and practitioners to be inspected.</p>



Expectation	Priority Activity	Status	FY25 update
	<p>Implement effective strategies to address non-compliance, informed by operational intelligence, data and research.</p>		<p>The VBA has been tailoring our programs of work to address specific risks, drawing on results from targeted inspections, intelligence, data, research, and feedback from internal experts and industry stakeholders.</p> <p>Online Tip-off Form</p> <p>Tip-offs have proven to be an effective channel for gathering operational intelligence on potential unregistered work across the industry.</p> <p>By the end of 2024-25, a total of 316 tip-offs were received resulting in:</p> <ul style="list-style-type: none"> • 101 referred for a detailed assessment of potential actionable intelligence, • 32 referred for a site inspection, or building audit, for further compliance checks, • 4 referred for investigation, • 14 referred to external agencies including council and other regulators, for their awareness and appropriate action, • 8 referred for further intelligence gathering in the field, • 43 closed due to an existing tip-off relating to the same matter, • 40 not providing sufficient, identifiable information which could be acted upon, • 10 duplicated tip-offs; and • 64 outside of the BPCs jurisdiction. <p>Research</p> <p>Research program activity underway in 2024-25 included 17 different research projects, which are detailed elsewhere in this report. These facilitate research directly related to priority harms, and include;</p> <ul style="list-style-type: none"> • five research grants awarded to researchers at four Australian universities, • five new research projects commenced through the Building 4.0 Cooperative Research Centre: • four research projects completed; and • three projects in progress at 30 June 2025 which commenced before 1 July 2024. <p>The VBA also released four research reports (see page 51). These research projects give us the evidence we need to inform our regulatory decisions and influence improvements to the building regulatory system.</p>



Expectation	Priority Activity	Status	FY25 update
	<p>Greater utilisation of enforcement measures available under the <i>Building Act 1993</i> to target poor operators.</p>		<p>The VBA increasingly used prosecution as an enforcement tool in 2024-25.</p> <p>It also took a strong regulatory stance via its discipline unit with 83 practitioners disciplined and 49 registrations suspended and or cancelled.</p> <p>Notable cases include:</p> <p>In May 2025, the Supreme Court granted the VBA a permanent injunction against Peninsula Building Projects Pty Ltd and its director Clancy John Fulton.</p> <p>The orders prevent Fulton, who is unregistered, from carrying out any business as a builder or from establishing or promoting a business as a builder.</p> <p>The injunction was one of two granted to the VBA this financial year. The other was in March 2025 against Buildqa Pty Ltd. The company and its director were also convicted of illegally building two homes and fined \$25,000.</p> <p>In April 2025, the VBA successfully prosecuted Maidstone man Khanh Ho who had been posing as a registered building surveyor. Ho pleaded guilty to 16 charges across nine building sites over three years. A Magistrate convicted Ho and ordered him to pay \$80,000 including costs. The court victory came after one of the most complex investigations in the VBA's history.</p> <p>In December 2024, the VBA immediately suspended registered builder Andrew Donald Little over conduct posing a risk to public safety. Little's registration was cancelled* and he was disqualified from the industry for the maximum three years. The penalty included \$125,000 in fines.</p> <p>Also in December 2024, building surveyor Peter Rontogiannis was immediately suspended over unprofessional conduct and hundreds of breaches of the Building Act. He was fined a record \$280,000 and disqualified from the industry for the statutory maximum 3 years.*</p> <p>Plumbers Zakariya Houssein and Ricky Barlow were both disqualified from being licensed and/or registered for the statutory maximum three years over a total of 21 sites across Melbourne relating to defective work, unregistered work and failure to comply with rectification notices.</p> <p>*Decisions are subject to VCAT review.</p>






Expectation	Priority Activity	Status	FY25 update
	Target regulatory communications to support practitioner compliance.	●	<p>The VBA continued to support practitioner compliance by promoting enforcement outcomes through media and social media, as well as engaging with industry through direct communications, webinars and conferences.</p> <p>We published 1,738 social media posts, with increasing awareness of our discipline and enforcement outcomes. Over the year:</p> <ul style="list-style-type: none"> • content views increased from 3.4 million to 7.4 million, • engagements (follower interactions) increased from 145,392 to 306,652; and • new followers increased from 8,205 to 16,848 (total followers now 57,806). <p>Our most viewed content was overwhelmingly enforcement outcomes and practitioner education.</p> <p>Our top enforcement outcome posts were</p> <ol style="list-style-type: none"> 1. Diamond Builders suspended (LinkedIn) – 280,272 views 2. CJ Fulton banned (Instagram) – 226,463 views 3. Khanh Ho convicted and fined (LinkedIn) – 206,907 views 4. Buildqa fined (LinkedIn) – 100,951 views 5. Hasan Kaya fined (Instagram) – 99,126 views <p>Our top practitioner education posts were:</p> <ol style="list-style-type: none"> 1. Party walls explainer video (LinkedIn) – 144,163 views. 2. Gasfitting compliance video (Facebook) – 128,885 views 3. Internal brace walls video (LinkedIn) – 90,401 views 4. Sewer junctions video (LinkedIn) – 80,935 5. Sewer junctions video (Instagram) – 69,897 views



Expectation	Priority Activity	Status	FY25 update
	<p>Promote the use of the Security of Payment scheme to manage payment disputes and monitor compliance.</p>		<p>Sixteen recommendations in the Victorian Parliament’s Legislative Assembly Environment and Planning Committee’s (LAEPC) Report were supported in full by Government. Tranche 1 reforms are being progressed through legislative reform.</p> <p>The VBA advocated for the reform and modernisation of the Ministerial Guidelines relating to the authorisation of Authorised Nominating Authorities (ANA), which were last updated in March 2007. The new Ministerial Guidelines were made and came into operation on 2 May 2025 and enabled, among other things, the VBA to:</p> <ul style="list-style-type: none"> • give effect to a recommendation in the LAEPC Report requiring amendment of the ANA Conditions of Authorisation, • apply a contemporary and practical regulatory approach to the term of authorisation of the ANAs by exercising the power to extend the current authorisation period of ANAs; and • initiate a process to extend the term of authorisation and communicate to ANAs in May 2025. <p>The ANA authorisation documents on the dedicated Security of Payment webpages on VBA’s website were reviewed and updated in May 2025 to incorporate and reflect the new Ministerial Guidelines.</p> <p>DTP convened the Tranche 2 Stakeholder Reference Group (T2 SRG) in December 2024 (with VBA being a member) to consider the remaining 12 recommendations in the LAEPC report that were accepted in part or in principle by the Government. Meetings of the Group commenced in February 2025 and continued throughout the financial year.</p>
	<p>Report annually on results and impacts of compliance and enforcement activities in reducing high risks.</p>		<p>The VBA publicised case studies, findings and details of prosecutions on its website during 2024-25, including details of any industry and consumer awareness campaigns associated with compliance and enforcement activity.</p>






Expectation	Priority Activity	Status	FY25 update
<p>2. REDUCE REGULATORY HARMS</p> <p>To ensure the efficient delivery of regulatory functions, I expect the VBA to enhance its understanding, targeting and reduction of priority regulatory harms, and work collaboratively with industry, partner agencies, co-regulators on protecting consumers from risk of harms.</p>	<p>Undertake ongoing review of VBA's Regulatory Priorities and engage with the Industry Harms Consultative Committee three times per year on these.</p>		<p>The regulatory priorities are published on the VBA website to inform industry, consumers and other regulators of its areas of focus, where regulatory effort and resources will be directed to address the most significant harms in the built environment.</p> <p>The VBA continues to engage with the Industry Harms Consultative Committee (IHCC) on its current regulatory priorities, and to review regulatory priorities based on data, intelligence and evidence from the built environment of harms causing significant impacts to consumers and practitioners.</p>
	<p>Provide practitioners with the knowledge and guidance they need to undertake work that is compliant, addresses risks and prepares them for industry changes.</p>		<p>VBA delivered six Practitioner Education Series (PES) webinars during 2024-25, with an average of 830 practitioners attending each webinar online:</p> <ul style="list-style-type: none"> • Building – Siting Requirements • Second Small Dwelling • Research – Water Ingress on Balconies • Plumbing Mechanical Services • Research – Management of Condensation & Mould Growth Risk • Navigating Regulations – Ensuring Compliant Heat Pump Hot Water System Installations. <p>Combined insights from post-webinar surveys revealed:</p> <ul style="list-style-type: none"> • 85 per cent of the attendees said they were either satisfied or very satisfied with the overall webinar, • 93 per cent of the attendees said they were likely or very likely to attend the next PES webinar; and • 87 per cent of the attendees said they were likely or very likely to recommend the PES webinar to other practitioners.




Expectation	Priority Activity	Status	FY25 update
	<p>Ensure that the VBA's regulatory approach is informed by evidence on harms.</p>		<p>In 2024-25, the VBA started a new approach to regulatory activities by initiating inspection 'blitzes' focused on specific issues such as water ingress on balconies. These blitzes involved reviewing design documentation, targeted inspections, and a campaign aimed at raising awareness and reducing the risk of water damage. Verbal Direction to Fix powers were used when non-compliant work was found and practitioners were required to rectify any non-compliances identified, at no cost to the consumer.</p> <p>In addition, two inspection blitzes targeting unlicensed people and unregulated work were conducted. These involved checking sites for unregistered or unlicensed people doing regulated work, with a focus on key growth corridors.</p> <p>The VBA established a Rapid Response Team to act as an escalation point for advice on complex or emerging enforcement issues requiring direction or oversight.</p> <p>The Rapid Response Team's activities led to Buildqa Pty Ltd and its Director being prosecuted in the Melbourne Magistrates' Court on 9 May 2025 with the Court finding the parties guilty and ordering fines totalling \$25,000 to be paid to the VBA. Further work is being carried out to address offences by other practitioners involved at the site and to bring that site into compliance.</p>
	<p>Develop detached (formerly orphaned permit) permit plan to process outstanding permits and to ensure that succession planning requirements for surveyors are put in place.</p>		<p>COMPLETE.</p>



Expectation	Priority Activity	Status	FY25 update
	Investigate industry practices and processes around compliance with domestic building insurance.		<p>Builders to be audited for compliance with domestic building insurance (DBI) have been selected based on scale of operations, intelligence, and risk criteria (including compliance and financial risk).</p> <p>Forty builders of interest have received a notice to provide documents and information to the VBA under Sections 227G(1)(b) and 227G(1)(ba) of the Building Act and were required to respond to the notice by COB 17 April 2025. The notice requires the builder to provide:</p> <ul style="list-style-type: none"> • a full list of building work projects during the period 1 July 2024 to 28 February 2025 where the builder has entered into a major domestic building contract (MDBC) with a customer and has taken one or more payments under that MDBC, • the date the MDBC was entered into, when the first payment was taken (and amount) under the MDBC, • the date the DBI in relation to the building work commenced; and • (if the requested information reveals examples of customers who have made payments to the builder under an MDBC, and where no DBI is in place) a date by which DBI will be secured for the customer(s). <p>The VBA had received responses from all builders at the time of preparing this report.</p>
	Report annually on results and impacts of harms reduction activities.		<p>Regular updates on how the VBA is addressing harms under each of its regulatory priorities are provided on its website.</p> <p>In 2024-25, the VBA started a new approach to regulatory activities by initiating inspection 'blitzes' for example, focused on water ingress on balconies. These blitzes involved reviewing design documentation, targeted inspections, and a campaign aimed at raising awareness and reducing the risk of water damage.</p> <p>The VBA undertook two other 'blitzes' to identify unregistered and unlicensed people carrying out building or plumbing work (October 2024, May 2025).</p>


Expectation	Priority Activity	Status	FY25 update
<p>3. GOVERNMENT REFORMS</p> <p>To achieve better outcomes for consumers, I expect the VBA to support the Department of Transport and Planning (DTP) in the implementation of government reforms in line with legislation and directions.</p>	<p>Support the implementation of Automatic Mutual Recognition, Trades Registration, Continuing Professional Development program and other programs.</p>		<p>Automatic Mutual Recognition (AMR) notifications totalled 227, attributed to the introduction of the online notifications in late April 2024. However, this increase has not led to an increase in the proportion of approved notifications, because the applicants in question did not meet the AMR requirements. The number of practitioners successfully notifying of AMR remains low. There are currently 61 practitioners with AMR in effect (56 builders and five plumbers); 49 practitioners are from New South Wales; 11 from South Australia; and one from Tasmania. All five plumbers with AMR are from New South Wales.</p> <p>AMR is not currently available to building surveyors, high-risk classes of plumbing registration and all licensed plumbers. BPC will continue to work with DTP to ensure that systems and processes are in place to ensure that exemptions are implemented in line with legislation and directions.</p>
	<p>Collaborate with DTP on the development of implementation options for building and plumbing reform initiatives.</p>		<p>The VBA continued its collaboration with DTP matters on the range of key regulatory and policy particularly in regard to legislative reform.</p>
	<p>Support the transfer of the Municipal Building Surveyor function to councils for sites subject to the Statewide Cladding Audit.</p>		<p>COMPLETE.</p>
	<p>Implement a statutory role for the State Building Surveyor.</p>		<p>The internal restructure of Office of the State Building Surveyor (OSBS) has been completed. Recruitment to several key roles, including Head positions will be completed in the first quarter of 2025-26.</p>
	<p>Work collaboratively with the Building Monitor once the role is appointed.</p>		<p>The VBA has continued to maintain a strong working relationship with the Building Monitor.</p>

Expectation	Priority Activity	Status	FY25 update
<p>4. CUSTOMER EXPERIENCE</p> <p>To build customer confidence in the regulation of Victoria's building industry, I expect the VBA to uplift its services to improve the timeliness and overall experience of consumers and practitioners.</p>	<p>Educate consumers to build knowledge of VBA's role within the building system.</p>		<p>Our media strategy helped to build community awareness of our role in protecting consumers. VBA published 21 media releases in 2024-25, 30 per cent more than the previous year with nearly all of them focused on enforcement outcomes, compared to just 3 enforcement-focused releases the previous year. This drove a major uptick in media coverage on nightly TV news, radio and print mastheads. Our first ever consumer alert for Baba Building Group received coverage with an estimated audience of up to 4.7 million.</p> <p>We published 144 consumer-focused social media posts in 2024-25. This content was viewed 939,475 times and generated 34,927 engagements. The top five posts in this category were:</p> <ol style="list-style-type: none"> 1. DBDRV & VBA mould research (Facebook) – 74,332 views 2. The announcement of the BPC (LinkedIn) – 36,289 views 3. Baba Building Group consumer alert (LinkedIn) – 33,136 views 4. Buyer protections bill introduced (LinkedIn) – 32,183 views 5. What is a building surveyor? (Facebook) – 30,357 views <p>In summary, during the year VBA introduced a more responsive, consumer focused approach to engaging with the community.</p> <p>During 2024-25 the VBA introduced more responsive and case management approaches to consumer complaints, including delivering better outcomes based on sharing information with other agencies.</p>
	<p>Facilitate co-resolution of consumer complaints with agency partners.</p>		<p>The design and build of the BPC single front door telephony/email solution was completed on time and within budget, ready to launch on 1 July 2025. The system streamlined enquiries relating to existing complaints, disputes and insurance claims, establishes reporting for the three agency partners, and channels complaint and dispute enquiries to a newly established BPC triage team.</p>

Expectation	Priority Activity	Status	FY25 update
	Launch new licensing and registration system for building practitioners.		<p>COMPLETE.</p> <p>The streamlining of building surveyor applications in October 2024 (through the introduction of acceptance of Australian Institute of Building Surveyors (AIBS) accreditation and Royal Institution of Chartered Surveyors (RICS) membership as a Chartered Building Control Surveyor) has continued to deliver improved processing times for building surveyor applications. A total of 36 applications have been received with AIBS or RICS accreditation. Application processing time for surveyors overall has reduced from 212 days to 130 days, and for AIBS/RICS accredited surveyors, the processing time has reduced to an average of 37 days.</p> <p>The focus has now shifted to overhaul of approval processes for other classes of Building and Plumbing applicants, starting with Domestic Builder Unlimited and Plumbing Apprentices, the largest cohorts for Building and Plumbing respectively. The changes underway include improvements to the application forms, the assessment framework and a major digital uplift for Plumbing and are slated for implementation in 2025-26.</p>
	Release online interactive registration forms for building practitioners.		COMPLETE.
	Work with Services Victoria to develop a digital licence for building practitioners.		COMPLETE.
	Improve consumer complaint response timeframes.		79.5 per cent of consumer enquires to the VBA were resolved at first point of contact during 2024-25 (against an annual target of 80 per cent).
	Improve practitioner and consumer sentiment for online interactions.		Consumer and practitioner perception surveying is scheduled for mid 2025-26, to gauge improvements in consumer attitudes.

Expectation	Priority Activity	Status	FY25 update
<p>5. SUSTAINABLE, FUTURE READY</p> <p>Looking forward, I expect the VBA to be financially sustainable, adaptable, and future-ready to deliver its regulatory functions and strategic objectives.</p>	<p>Ensure that the VBA's operating model can deliver effectively on the Regulatory Policy Statement.</p>		<p>An operating model for the Building and Plumbing Commission was developed in preparation for the establishment of the BPC on 1 July 2025.</p> <p>The transformation of the VBA regulatory functions continued during Q4 2024-25 to effectively deliver on strategic objectives and reforms to:</p> <ul style="list-style-type: none"> • Improve consumer protection and outcomes: The foundational phase of a new case management system is underway and is intended to enhance management of complaints, statutory referrals and queries. • Move to an efficient and effective licensing, registration and certifications scheme: Re-engineering of licensing and registration processes is expected to facilitate significant improvements in timeliness. • Introduce a targeted inspection model: This adopted model focuses on intelligence, risk and harms informed inspections, use of regulatory tools for improving compliance and protecting consumers. recruitment is underway to increase the Inspectorate workforce and regulatory footprint. • Introduce a firm, fair, and clear compliance and enforcement approach: Work continues on the development of policy and related guidelines for both building and plumbing.
	<p>Collaborate with DTP to reset plumbing fees (licensing and registration fees, compliance certificate fees, modification and declaration fees).</p>		<p>ON HOLD.</p>
	<p>Uplift enabling systems to support plumbing fee changes.</p>		<p>ON HOLD.</p>

Expectation	Priority Activity	Status	FY25 update
	<p>Establish ongoing relationships with key industry bodies, associations and unions via regular engagement.</p>		<p>In 2024-25, the Building Special Advisory Panel met on seven occasions and the Plumbing Special Advisory Panel was established and met on six occasions. These Panels provide valuable sources of advice and engagement to the VBA about its regulatory activities. In addition, in collaboration with DTP, a special BSAP Buyer Protection Bill Briefing sessions were held including three BSAP Regulations Technical Working Group consultation sessions.</p> <p>The VBA Commissioner & CEO met regularly with leaders of industry bodies, including Master Builders, Housing Industry Association, Australian Institute of Building Surveyors, Master Plumbers, the Plumbing Industry Climate Action Centre as well as relevant unions including the Plumbing and Pipes Trades Employees Union.</p> <p>The VBA Foundational Engagement Program continued with leaders from the Office of the State Building Surveyor and Regulatory Operations divisions of the VBA meeting with stakeholders including the Australian Institute of Architecture, Royal Institute of Chartered Surveyors, Master Builders Victoria, Engineers Australia, the Australian Institute of Building, Demolition & Asbestos Industry Association of Victoria, Master Plumbers, Housing Industry Association, Country Fire Authority/Fire Safety Victoria, the Australian Institute of Refrigeration Air Conditioning and Heating, Landscaping Victoria, Spa and Pool Association of Australia, the Australian Institute of Waterproofing and the National Fire Industry Association.</p>
	<p>Improve understanding of regulatory roles and responsibilities of relevant building surveyors, local councils, and VBA.</p>		<p>In 2024-25, the OSBS continued to support councils and municipal building surveyors in the performance of their building control functions.</p> <p>A Municipal Building Control Plan (MBCP) has been drafted and is slated to be released to a small group of councils under a pilot program at the start of 2025-26. The MBCP is designed to facilitate councils' understanding of their obligations, and to quantify performance across four key areas:</p> <ul style="list-style-type: none"> • Risk management, • Building control activity, • Workforce planning and resourcing; and • Enforcement and prosecution.

Expectation	Priority Activity	Status	FY25 update
	<p>Continue to focus on improvements in workplace culture at the VBA to deliver better outcomes for staff and stakeholders.</p>		<p>VBA staff participation in the 2024 People Matter Survey (PMS) reached a response rate of 79 per cent across the VBA (compared with 76 per cent in 2023), with results showing an improvement since 2023 in staff engagement, (64 per cent) and satisfaction (69 per cent). For the first time, the VBA's results exceeded those of the Victorian public service as a whole for staff satisfaction.</p> <p>A refresh of organisational values and behaviours (which will support the new Building and Plumbing Commission) was conducted involving engagement with VMIA, DBDRV and VBA staff,. These 'Ways of Working' groups have been integral to supporting the shift to an integrated regulator. Staff feedback was positive and next steps include a consolidation of information and the development of a first draft of values and behaviours for BPC.</p> <p>The VBA continued to invest in the professional development of our staff through a range of learning opportunities delivered under the banner of 'VBA Learning and Development'.</p>



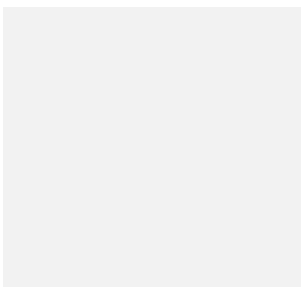
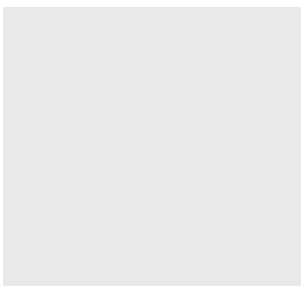
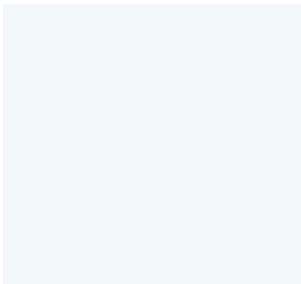
Regulatory priorities

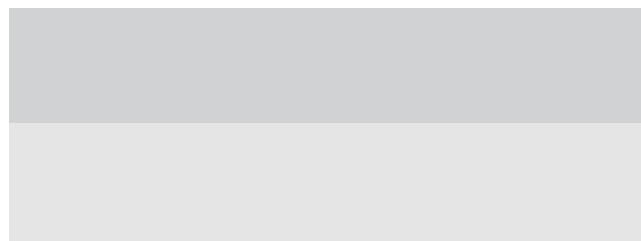
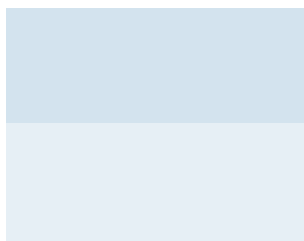
The VBA's regulatory priorities are based on the prioritisation of identified harms and indicate the key areas where the VBA will focus its regulatory effort.

The VBA has worked with industry, co-regulators and other stakeholders to review, assess and verify our list of regulatory priorities to ensure these reflect harms being identified by consumers and industry, which have the potential to negatively impact the Victorian community.

The VBA's regulatory priorities in 2024-25 were:

- Water
- Fire safety
- Product safety
- Solvency of building companies
- Practitioner capacity and capability
- Practitioner competency.





Spotlight on: Water ingress on balconies

Water ingress is one of the most common building defects identified during inspections and can cause significant harm to consumers. It is a cause of many complaints to the VBA, insurance claims and disputes. Research conducted by the VBA^{3,4} found that balconies are especially vulnerable to water ingress issues because of non-compliant designs and insufficient waterproofing.

What did we do?

In 2024-25, the VBA focused on compliance issues related to water ingress, with a particular focus on balconies. This involved inspectors reviewing design documentation, targeting inspections, and delivering a communications campaign to raise awareness among industry and consumers.

When conducting documentation audits and inspections, the VBA looked at whether proper structural, waterproofing, drainage, and weatherproofing practices were being followed.

Authorised Officers used the VBA's Direction to Fix power when they found non-compliant work. This meant that practitioners were alerted to non-compliances while the Authorised Officer was on-site and were provided with directions as to how to fix the non-compliances. Practitioners were required to rectify any non-compliances identified, at no cost to the consumer.

The VBA also published a Practitioner Guide⁵ with information about commonly occurring issues related to water ingress on balconies and prevention activities.

What difference did it make?

The inspections identified recurring issues such as inadequate documentation, insufficient or missing overflow provisions, poor waterproofing, and water pooling. The VBA is therefore raising awareness and improving information to industry to prevent long-term structural damage and improve consumer outcomes.

- 3: **Victorian Building Authority. (2024, November 18).** *Investigation of water leakage in residential apartment (concrete) balconies.* Victorian Building Authority. Retrieved July 21, 2025, from vba.vic.gov.au/about/research/investigation-of-water-leakage-in-residential-apartment-concrete-balconies
- 4: **Victorian Building Authority. (2024, November 20).** *Examining moisture-related disputes in Victorian residential buildings.* Victorian Building Authority. Retrieved July 21, 2025, from vba.vic.gov.au/about/research/examining-moisture-related-disputes-in-victorian-residential-buildings
- 5: **Victorian Building Authority. (2024, September 24).** *Commonly occurring issues: Water ingress on balconies.* Victorian Building Authority. Retrieved July 21, 2025, from vba.vic.gov.au/_data/assets/pdf_file/0004/184819/Commonly-occurring-issues-water-ingress-on-balconies.pdf

Trusted Regulator Program

To turn the VBA's Regulatory Policy Statement⁶ into action, in 2024-25 we embarked a major overhaul of the regulatory functions of the VBA. This approach involves modernising regulatory practices, improving service delivery, and enhancing harms-based regulatory responses with a consumer outcome as the key objective.

Our VBA internal overhaul is organised into four workstreams:

1. Improving consumer protection and outcomes
2. An efficient and effective licensing, registration and certification scheme
3. A targeted inspection model
4. A firm and fair compliance and enforcement approach

Key achievements in 2024-25 included:

- Initiating new approaches to dealing with complex consumer cases. Although improvements in responsiveness were made during the year, it is necessary to continue to prioritise this work. For example, the new CASE Foundations project identified better pathways for consumers to engage with the regulatory system.
- Establishing a Building Surveyors' Pathway Program, including a mentoring program for current building surveying students to gain hands-on industry experience.
- Commencing licensing and registration reform, including system enhancements, improving exam delivery and introducing a revamped approach to licensing and registration.
- Boosting the VBA's Inspectorate to uplift capability and increase impact. The Inspectorate is now focused on risk-based inspections which enable greater impact for improved consumer protections. Capability uplift includes ongoing professional development, with the team undertaking a range of new training programs.

6: **Victorian Building Authority. (2023, November).** *Regulatory Policy Statement*. Victorian Building Authority. vba.vic.gov.au/about/regulatory-policy-statement

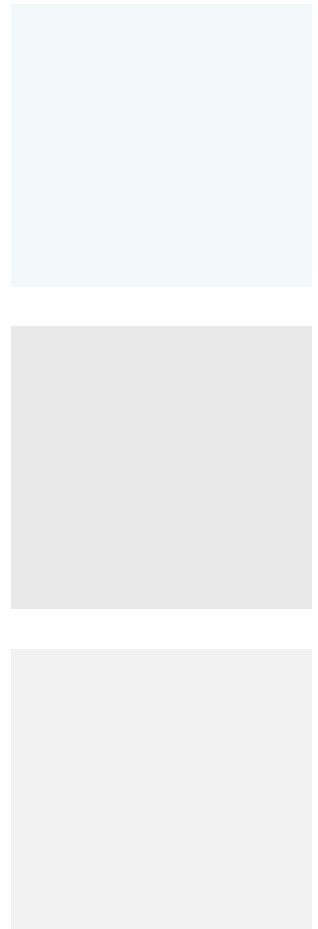
BPC establishment

On 24 October 2024, the Hon Sonya Kilkenny MP, the then Minister responsible for building, announced the formation of Victoria’s new integrated building and plumbing regulator – the Building and Plumbing Commission (BPC).

Bringing together the VBA, DBDRV and the Domestic Building Insurance (DBI) area of the Victorian Managed Insurance Authority (VMIA), the BPC will deliver stronger protections for Victorian consumers.

It will provide a single front door for consumers and practitioners overseeing all aspects of building quality control – regulation, insurance and dispute resolution.

To establish BPC, substantial work was underway in 2024-25, arranged in multiple project teams based on a clear methodology of discovery, analysis, planning and task tracking to ensure that the BPC was able to be launched on 1 July 2025.



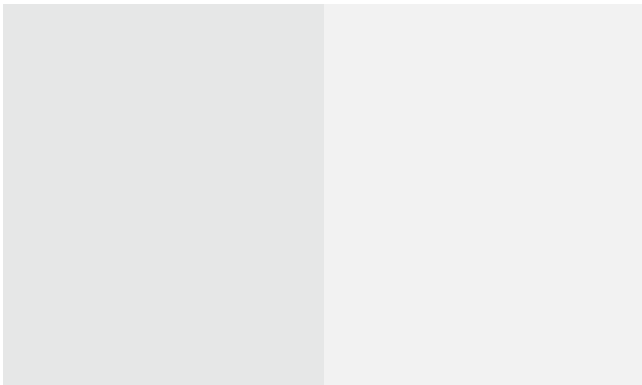
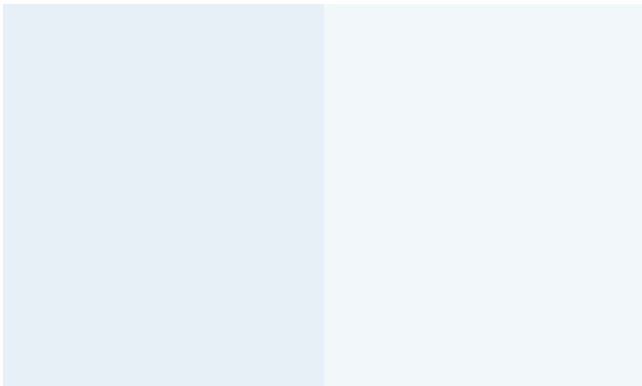
Uptown24

In November 2024, the VBA moved offices from 733 Bourke Street to 242 Exhibition Street.

To support this, a dedicated project team, Uptown24, was established.

Compared to the previous arrangements at Goods Shed North, the VBA improved its digital capabilities and work environment for our people, and negotiated more competitive lease arrangements.

The VBA now occupies three levels of 242 Exhibition Street, with room for the staff joining us to form the BPC.



Licensing and registration

The VBA registered or licensed 67,923 building and plumbing practitioners in 2024-25, a 1.7 per cent increase compared to last year.

The registration of natural person building practitioners remained steady, while the number of building companies registered increased by one per cent. A 25 per cent increase in the number of building surveyors registered is attributed to practitioners attaining registration through the mutual recognition pathway as outlined in the *Mutual Recognition Act 1992*.

Since 2021, the *Professional Engineers Registration (PE) Act 2019* has shifted the responsibility for engineer registrations to CAV. The VBA has continued to provide endorsement for the increasing numbers of registered engineers who wish to work in the building industry. In 2024-25, the VBA recorded 4,936 engineer endorsements, which represented a four per cent increase compared to last year.

In 2024-25, the VBA registered or licensed 1,074 new plumbers, with a record 32,606 plumbers now registered or licensed in Victoria. This represented a 3.4 per cent increase compared to last year. Registrations or licences granted in most plumbing classes increased. Fire protection work (6.2 per cent), gas fitting work (4.8 per cent) and refrigerated air-conditioning work (4.1 per cent) had the greatest year-on-year changes.

Automatic Mutual Recognition (AMR) is a national scheme allowing individuals to use their home state or territory occupational registration or licence to work in other participating states and territories.

In 2024-25, the VBA received 227 AMR notifications, which related to 182 building practitioners and 45 plumbing practitioners. Compared to 2023-24, AMR notifications increased by 19 notifications, or 9.1 per cent.

Examinations

As part of the process of assessment of skills and knowledge of registration applicants, the VBA may request that an applicant complete an exam. For some categories and classes of building practitioner, the VBA offers online exams. In 2024-25, the VBA delivered 681 online exams, with the majority related to Domestic Builder (Unlimited) registration, compared to 748 online exams in 2023-24.

For further information, please refer to [Table 4](#).

Year in review



Table 4: Building and Plumbing registration and licensing activity

Building practitioner				
	Company		Natural Person	
	2024-25	2023-24	2024-25	2023-24
Registration applications received	1,134	1,282	1,669	1,717
Registration applications finalised	1,057	1,195	1,384	1,837
Number of registered practitioners as at 30 June	12,427	12,285	22,890	22,959
Number of current registrations as at 30 June 2025				
Builder – Commercial	2,803	2,748	5,693	5,701
Builder – Demolisher	147	156	406	417
Builder – Domestic	10,957	10,883	16,669	16,843
Building Inspector	38	36	1,090	1,081
Building Surveyor	137	123	986	790
Building Designer (previously Draftsperson)	146	156	2,232	2,270
Erector or Supervisor (temporary structures)	6	6	83	84
Quantity Surveyor	14	15	125	130
Project Manager (domestic)	3	1	65	56
Plumbing practitioner				
			2024-25	2023-24
Registration or licensing applications received ⁷			3,811	3,412
Registration or licensing applications finalised			3,938	3,092
Number of registered/licensed practitioners as at 30 June			32,606	31,532
Number of current registrations as at 30 June 2025⁸				
Drainage work			24,412	23,563
Fire protection work			1,125	1,059
Gas fitting work			23,240	22,185
Irrigation (non-agricultural) work			25,134	24,314
Mechanical services work			15,713	15,661
Refrigerated air-conditioning work			2,243	2,154
Roofing (stormwater) work			24,167	23,392
Type B gas fitting work			564	579
Water supply work			25,783	24,849
Owner-builder activity				
			2024-25	2023-24
Owner-builder certificates of consent issued			3,924	4,518

7: For year-on-year comparison, this figure does not include returned applications.

8: This is a count of practitioners who held registration or a licence in the class specified without restrictions. It excludes practitioners who held only a restricted registration or licence in the specified class.

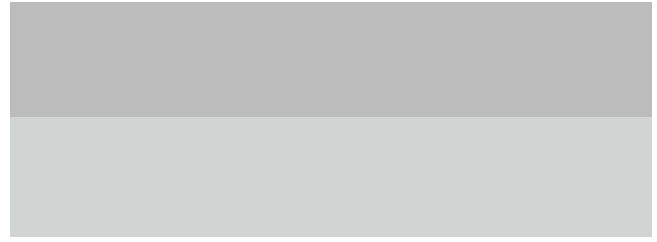
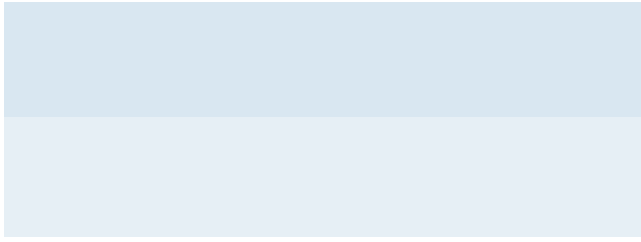
Compliance, enforcement and community activity

Table 5: Building and Plumbing activity

Building		
	2024-25	2023-24
Building permits reported	100,232	100,176
Building permits reported – cost of works (\$ billion)	53.1	49.2
Building permit numbers issued	99,626	97,435
Building permit numbers issued – cost of works (\$ billion)	52.4	48.4
Temporary structure occupancy permits issued	83	85
Technical advice – email enquiries	9,419	6,689
Technical advice – telephone enquiries	6,939	9,764
Plumbing		
	2024-25	2023-24
Compliance certificates lodged by licensed plumbing practitioners	548,613	512,800
Plumbing modification declarations ⁹	31	27
Technical advice – email enquiries	9,419	6,689
Technical advice – telephone enquiries	6,939	9,764

9: *New Plumbing Regulations 2018 removed the need to apply for modifications for installation of sanitary drains to service more than one dwelling if specific requirements are met, reducing the number of modification applications.*

Year in review



Building permit activity

In 2024-25, there were 100,232 building permits reported to the VBA having been issued by building surveyors in Victoria, with a total cost of works valued at \$53.1 billion. The number of building permits issued for new buildings increased by 2.4 per cent to 59,286.

Building activity in the domestic sector remained steady and accounted for more than 80 per cent of all building work in Victoria (82,025 permits issued).

In regional Victoria, 31,345 building permits were issued, a 2.8 per cent decrease compared to last year. Of the five regional areas, the south-west had the highest number of building permits issued with 8,921. In metropolitan Melbourne, 68,887 building permits were issued, which represented a 1.4 per cent increase compared to last year.

The VBA publishes a range of datasets and statistics about our building permit activity, which can be found at vba.vic.gov.au/about/reports-and-data.

Compliance certificates

A compliance certificate is issued by a licensed plumber to certify that the work they have carried out complies with the relevant plumbing standards, codes and regulations. A licensed plumber is required to lodge a compliance certificate with the VBA within five days of completing work valued at \$750 or more (including labour, materials, appliances and fixtures, work on below-ground sanitary drains, and work related to cooling towers, any gas-using appliance and gas piping).

In 2024-25, there were 548,613 compliance certificates lodged, a seven per cent increase compared to last year.

Table 6: Building and Plumbing Compliance, Enforcement and Inspectorate activity

Building	2024-25	2023-24
Inspectorate and Building Compliance		
Building Documentation audits (permits)	92	104
Regulation 47 Administrative audits	299	415
Levy audits (building surveyors)	41	20
Building permits inspected ¹⁰	6,308	8,199
High and medium risk non-compliances addressed (target: 2,500)	2,915	NR
Statutory referrals received	255	290
Requests for consent to terminate a building surveyor	223	257
Building surveyor transfer of function notifications	2,313	5,541
Complaints		
Building practitioner complaints received	1,799	1,773
Investigations		
Building practitioner investigations completed	275	208
Enforcement		
Show cause notices issued	72	105
Prosecutions completed ¹¹	16	10
Building prosecutions commenced, but not completed as at 30 June ¹²	40	37

10: The 2024-25 Department Performance Statement outlined a target of 2,500 high and medium risk non-compliances addressed through the proactive inspections program as part of a new re-oriented, risk-based program approach.

11: Prosecutions completed means the number of cases where the court has made final orders or the matter has otherwise been disposed of finally.

12: Prosecutions commenced means the number of matters which are currently before the court.

Year in review



Table 6: Building and Plumbing Compliance, Enforcement and Inspectorate activity (continued)

Plumbing		
	2024-25	2023-24
Inspectorate and Building Compliance		
Plumbing audits and drain inspections completed	5,644	7,269
Complaints		
Plumbing practitioner complaints received	1,569	1,809
Investigations		
Plumbing practitioner investigations completed	421	397
Enforcement		
Plumbing Inquiries	22	15
Prosecutions completed	5	4
Plumbing prosecutions commenced, but not completed as at 30 June	7	2

Statutory Referrals

The Building Act requires building surveyors to notify the VBA of specific offences by the builder listed on the building permit; these are:

- Section 33 – failing to call for a mandatory inspection set out in the building permit or failing to stop work at completion of a mandatory inspection stage, if directed to do so by the relevant building surveyor; and
- Section 37 – failing to comply with a written Direction to Fix (DTF) in the timeframe provided to do so.

The Act also requires the building surveyor to refer a Building Order to the VBA for enforcement if the property owner has failed to comply with an order in the timeframe provided.

In 2024-25, the VBA received 255 statutory referrals, a 12 per cent decrease compared to last year. This was attributed to a decrease in the number of section 33 referrals (Missed Mandatory Inspection) received. Section 37 referrals and Building Order referrals remained steady compared to last year.

Terminations

The Act provides that the appointment of a private building surveyor cannot be terminated without the consent of the VBA. The VBA's consent is also required when a builder surveyor is no longer able to carry out their function, to ensure there is another building surveyor appointed for the continuity of building work on any open building permits.

In 2024-25, the VBA received 223 requests for consent to terminate a building surveyor, a 13 per cent decrease compared to last year.

Transfer of Functions

Under the Act, a building surveyor may transfer their functions to another building surveyor, either private or municipal, permanently or for a fixed period. Reasons for transfer include taking extended leave, relocating their business, ill health, retirement or by agreement with their clients.

The VBA's consent is not required for a transfer of functions, but under the Act, building surveyors are required to notify both the VBA and the relevant council when a transfer of functions has taken place for it to take effect.

In 2024-25, the VBA received 2,213 transfer of function notifications, compared to 5,541 last year. This decrease was attributed to 2023-24 being an outlier year due to a large bulk transfer of more than 4,000 appointments in September 2023. This was done to facilitate the transfer of permits from the registration of two individual relevant building surveyors to their respective corporate registrations.

The most reported reasons for transfer of function related to client preference, service-related issues and change of builder.

Year in review



Inspectorate

The VBA inspects building and plumbing work under construction in Victoria to protect consumers from harm and to educate building and plumbing practitioners about their obligations and ensure they meet their responsibilities and functions under the Act and Regulations.

In 2024-25, the VBA changed its regulatory practices to focus on higher risk non-compliances that cause harm to consumers. Following a recommendation from Better Regulation Victoria, the activity-based target was replaced with, an approach based on potential consumer harms.

The VBA has also changed its approach to inspections, with a new risk based approach being implemented.

The 2024-25 Department Performance Statement¹³ outlined a target of 2,500 high and medium risk non-compliances addressed through the inspections program. The VBA exceeded this target, with 2,915 high and medium risk non-compliances addressed.

Building Documentation Audit Program (BDAP)

The Building Documentation Audit Program (BDAP) monitors whether regulatory requirements are met for building work in Victoria and works with practitioners to promote a safe built environment.

During 2024-25, the scope of the program was expanded to ensure practitioners involved in the design and approval of building permits are also being held accountable for their work, both with the technical requirements of the NCC and Australian Standards, and administratively with the regulatory requirements of the Act and Regulations.

The program involves reviewing documentation related to building work in Victoria, including administrative and technical documentation, to verify that registered building practitioners and endorsed building engineers are carrying out their functions correctly.

In 2024-25, the BDAP conducted 92 documentation audits, which focused on compliance with the NCC Volume 1 and 2, the AS-1926 series for swimming pools and included in-depth analysis of fire performance solutions and mechanical and structural engineering design.

¹³: Victoria Department of Treasury and Finance. (2024). 2024-25 Department Performance Statement. Victoria State Government, p.136

Levy Audit program

The Levy Audit team carries out Building Activity Management System (BAMS) record audits on registered building surveyors to determine their reporting compliance in regard to:

- Section 18AA of the Act, supplying the correct and complete information to the VBA when applying for a building permit number; and
- Regulation 47 of the *Building Regulations 2018*, supplying the correct and complete prescribed event information to the VBA monthly.

In 2024-25, the VBA completed 41 audits compared to 20 a year ago.

The VBA collected \$205,273 from levy reassessment. This included building surveyors who did not report the occupancy permit date and number to the VBA, or reported wrong data, contravening Regulation 47.

To help inform audited building surveyors, the VBA issues an audit report to them with detailed findings, causes of non-compliance and recommendations to inform best practice compliance related to Section 18AA and Regulation 47.

Complaints

In 2024-25, the VBA received 1,799 building complaints and 1,569 plumbing complaints, a 1.4 per cent increase and 13.2 per cent decrease respectively compared to last year. The decrease in the number of plumbing complaints compared to last year can be attributed to two causes: the first was a spike in plumbing complaints received in 2023-24 that related to multiple instances of compliance issues at multi-unit sites and the second was the result of a process change implemented during the year that granted consumers direct access to plumbing insurance details on request.

The majority of complaints are received from property owners however, we also receive complaints from other government agencies, building and plumbing industry practitioners, and adjoining owners.

Enforcement

The VBA takes disciplinary action against building practitioners through its Practitioner Discipline function and against plumbing practitioners through Plumbing Inquiries.

For building practitioners, the formal disciplinary process commences with a show cause notice. In 2024-25, the VBA issued 72 show cause notices compared to 105 last year. This can be attributed to the VBA's focus on other enforcement activities such as directing our regulatory actions to where the potential harm to consumers is greatest, and where our regulatory powers can have the most impact, rather than concentrating on disciplinary actions.

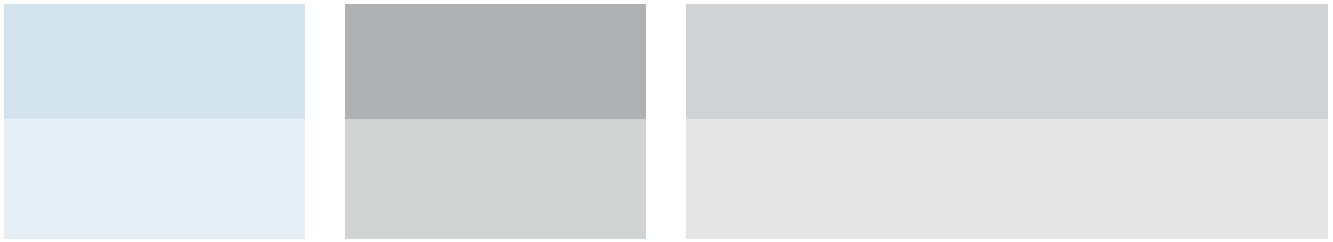
In 2024-25, the VBA issued 49 cancellations and suspensions of registrations. Monetary penalties valued at \$1,369,027 were imposed. This was \$445,027 more than last year.

The VBA continued to advocate to the Magistrates' Court as to why stronger penalties were warranted in specific cases, as part of its remit to support consumers and act as a credible threat to people who do the wrong thing. In 2024-25, there were 21 prosecutions completed – 16 building and five plumbing prosecutions completed, compared to 14 last year. At 30 June 2025, there were 60 prosecution activities underway.

The most prosecuted offences related to false registration status, performing work when unregistered, not building according to permit and building without the required insurance.

For the first time, the VBA filed indictable charges against a major construction company, with the matter ongoing and in the early stages of the Magistrates' Court's timetable. The VBA also successfully applied in the Supreme Court for an injunction to permanently restrain an unregistered person and his company from carrying on building work and from promoting itself as capable of being able to carry out building work. Three practitioners were immediately suspended in 2024-25, and each practitioner was unsuccessful in having their immediate suspension stayed by the Victorian Civil and Administrative Tribunal (VCAT).

Year in review



Investigations

In 2024-25, the VBA completed 275 building investigations and 421 plumbing investigations, which represented a 32 per cent and six per cent increase respectively compared to last year. Overall, the number of investigations completed increased by 15 per cent.

The Investigations team executed search warrants for serious offences under the Act and demonstrated a targeted enforcement strategy in line with the VBA's regulatory priorities. The team expanded its capability to respond swiftly and effectively to complex matters, particularly those posing higher risks to public safety and industry performance. This resulted in 237 cases being referred for enforcement action in 2024-25, up from 177 cases in 2023-24.

Spotlight on: Unregistered and unlicensed people

One in 10 of the complaints to the VBA are about unregistered and unlicensed people carrying out regulated building or plumbing work. The rise of digital job-sharing platforms has made it easier for unregistered and unlicensed people to target consumers looking to save money. Work carried out by these people can have life threatening consequences if it is non-compliant

What did we do?

In November 2024, the VBA launched an online tip-off form to make it easier for consumers and practitioners to report suspected unregistered or unlicensed people. Once a tip-off is submitted, it was assessed and prioritised. Enforcement action is taken against people found to be operating without a registration or licence.

The VBA also undertook a blitz to check for unregistered or unlicensed people doing regulated work, with a focus on key growth corridors. In two separate blitzes, the VBA visited more than 1,200 metropolitan and regional sites. Thirty-three unregistered or unlicensed people were found working on 23 sites, and enforcement action was taken against them.

What difference did it make?

By identifying and taking enforcement action against unregistered and unlicensed people, the VBA is protecting consumers from potentially costly and even life-threatening consequences that might result from the non-compliance and unsafe work performed by unregistered and unlicensed people.

We also publicise our findings, where appropriate and this helps to raise awareness among industry and consumers of the risks of unregistered and unlicensed operators.

Our people

Diversity, equality and inclusion

The VBA is building a diverse, equitable and inclusive workplace where all individuals feel respected, represented and empowered. In 2024-25, we continued to embed inclusive practices through our programs and cultural initiatives. These efforts support a workplace where difference is embraced and every person feels a sense of belonging, reflecting the rich diversity of the Victorian community we serve.

In 2024-25, the VBA reactivated its focus on Gender Equity. Through ongoing internal liaison and collaboration, we increased capability across the organisation and increased awareness about our collective responsibility to meet our Gender Equality Action Plan (GEAP) obligations. We participated in external networks, educational forums, and Communities of Practice to ensure we were kept informed and well-positioned to progress this work.

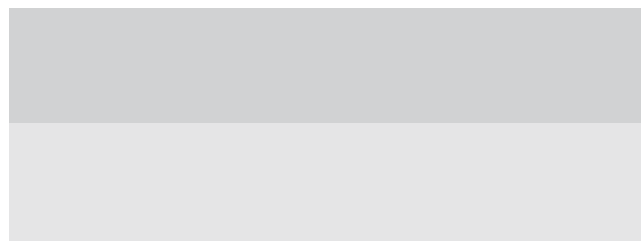
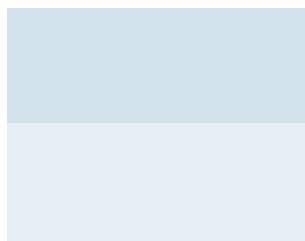
In addition, we continued to develop and promote a broader body of Equity, Diversity & Inclusion materials to raise awareness, understanding and competence, including through communications, events and developing education sessions for leadership and staff.

Key activities included:

- celebrating NAIDOC Week with an all-staff briefing and special keynote presentation from Courtney Ugle, a proud Noongar woman, VFLW player and community worker,
- awarding 14 employees a scholarship to complete a Women in Leadership development program with Women and Leadership Australia,
- recruiting of a dedicated Gender Equity and Belonging Partner to lead our Diversity, Equity and Inclusion portfolio and GEAP delivery,
- celebrating International Women's Day with an all-staff meeting, speakers and educational resources; and
- promoting key acknowledgement and celebration dates, including Sorry Day, Reconciliation Week, Mabo Day, Pride Month, Wear it Purple Day and International Day Against Homophobia, Biphobia, Interphobia and Transphobia.



Year in review



Training and professional development

The VBA continued to invest in the professional development of our staff through a range of learning opportunities delivered under the banner of 'VBA Learning and Development',

In September 2024, a new Learning Management System (LMS) was launched to enhance the accessibility and user experience of our digital and in-person learning experiences and to improve our record keeping and reporting quality. The platform offers a mix of high-quality Australian designed modules, as well as VBA-developed content, supporting Compliance, Technical, Leadership and Regulatory development options.

The VBA partnered with S4K, a learning and development organisation, to provide employees with access to resources, articles, videos and tools to enrich their professional development. In 2024-25, 47 per cent or 247 team members accessed S4K learning resources with an average of 8.1 resources accessed per user.

Each month, employees receive:

- learning Insights – articles, videos, audio and other resources all aligned to core capabilities that support VBA's strategic priorities; and
- personal recommendations – tailored to their individual development goals and interests.

In June 2025, the VBA launched the Management Essentials Program. This program is designed to build core leadership capabilities for managers and those wishing to take management development courses across the organisation. This program supports people leaders, and future leaders to strengthen their personal impact and lead with greater confidence.

Health, safety and wellbeing

The Health, Safety and Wellbeing team delivered improved systems and support for VBA staff, demonstrating our commitment to employees' health, safety and wellbeing. Key achievements in 2024-25 included:

- facilitated Occupational Violence Training to 165 people with plans for on-going training,
- formalised Designated Working Groups and the election of 14 Health and Safety Representatives,
- developed new business rules and associated quick reference guides for incident management; and
- modified our incident management system, to improve recording and reporting needs.

VBA Enterprise Agreement 2024

In March 2025, the Fair Work Commission approved the VBA Enterprise Agreement 2024.

This is an agreement between the VBA and the Community and Public Sector Union (CPSU). The voting process occurred in early 2024 and saw 83 per cent of eligible staff vote and of those, 97 per cent voted in favour of the Agreement. This is a strong indicator of confidence in the outcome of the negotiations.

The Enterprise Agreement sets the scene for creating a great place to work and shares terms and conditions similar to the VPS. The Agreement was negotiated by all parties and constructive conversations were held in good faith throughout the process.

Research

The VBA has a statutory function to conduct and promote research relevant to the regulation of the building and plumbing industries.

The VBA's Research Program is a key platform that provides the evidence to inform the VBA's regulatory decisions and influence improvements to the building regulatory system.

This program supports the VBA's Regulatory Policy Statement in delivering improved consumer outcomes in Victoria, and research undertaken is oriented towards VBA's regulatory priorities so we are better equipped to target specific harms.

Through research projects and collaborations over the last seven years, the VBA's research network has expanded to include 65 research institutions, government, and industry partners.

Research program activity underway in 2024-25 included 17 different research projects, which are set out below. For details on VBA's review and study expenses please see Table 7.

Research Grant Program

The VBA Research Grant Program (RGP) provides financial assistance to a university, through a competitive selection process, towards research that contributes to a better understanding of issues relevant to the regulation and performance of the building and plumbing industries in Victoria. The grants comprise a financial and in-kind contribution to research. The in-kind support includes providing access to regulatory experts and technical specialists, data, case studies or other information we hold. Details of current and recently completed research grants (including grant costs) are set out in Table 7.

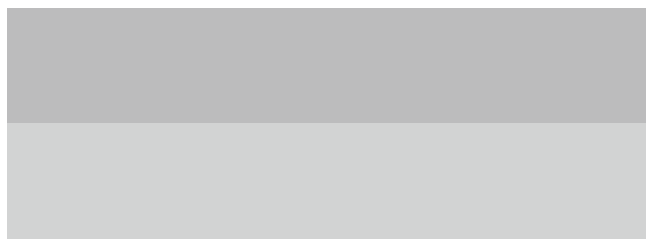
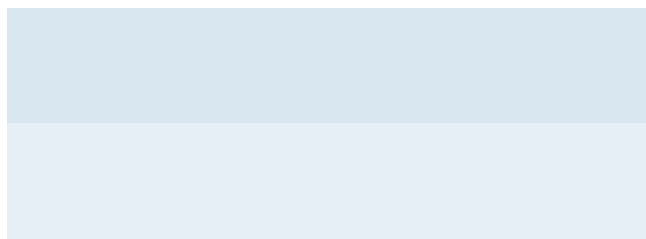
Since the inaugural RGP in 2021-22, the VBA has undertaken three rounds of the Research Grant Program.

The third round of the Research Grant Program, launched in early 2024, invited researchers at Australian educational institutions to apply for grants for financial and/or in-kind support for research focused on better protecting consumers and building occupants from the most significant harms in the built environment.

Five research grants were awarded in 2024-25 to researchers at four Australian universities:

- **Deakin University:** [Investigating water pressure in the plumbing systems of Victorian houses;](#)
- **RMIT University:** [Assessment of thermal bridging in Victorian apartment buildings;](#)
- **University of South Australia:**
 - [Designing and building safely on Victoria's expansive soils;](#)
 - [Virtual Reality-based building code assessment training for early-career building surveyors;](#) and
- **Victoria University:** [Developing measures to combat insolvency in the residential construction industry.](#)

Year in review



Research projects commenced in 2024-25

10 new research projects commenced:

- VBA Research Grant Program:
 - FRGP24 – Deakin University: [Investigating water pressure in the plumbing systems of Victorian house](#)
 - RGP24 – RMIT University: [Assessment of thermal bridging in Victorian apartment buildings](#)
 - RGP24 – University of South Australia: [Designing and building safely on Victoria's expansive soils](#)
 - RGP24 – University of South Australia: [Virtual Reality-based building code assessment training for early-career building surveyors](#)
 - RGP24 – Victoria University: [Developing measures to combat insolvency in the residential construction industry](#)
- Building 4.0 CRC:
 - Project 49: [Implications of Industry 4.0 technologies on work practices](#)
 - Project 55: [Towards smart contracts and smart finance in construction](#)
 - Project 58: [The Retrofit Housing Atlas: Adaptive reuse of housing in Australia](#)
 - Project 80: [Insolvency in the construction industry](#)
 - Project 90: [Evaluating the effectiveness of roofing work inspections using Remotely Piloted Aircraft Systems](#)

Research projects completed in 2024-25

In 2024-25, four research projects were completed:

- VBA procured projects¹⁴:
 - [Examining moisture related disputes in Victorian residential buildings](#)
- VBA Research Grant Program:
 - RGP22 – Swinburne University of Technology: [Investigation of water leakage in residential apartment \(concrete\) balconies](#)
- Building 4.0 CRC:
 - Project 21: [Regulatory reform for industrialised construction](#)
 - Project 48: [Scoping study for building the future – circular economy](#)

Three projects were in progress at 30 June 2025 and which commenced before 1 July 2024:

- Building 4.0 CRC:
 - Project 56: [Accelerating research translation and impact](#)
 - Project 66: [Future of construction education](#)
- VBA Research Grant Program:
 - RGP22 – University of Sydney: [Improving building envelope resilience to moisture damage](#)

¹⁴: The VBA engaged Restoration Industry Consultants to undertake research in line with the VBA's procurement policies and procedures.

Research reports released by VBA in 2024-25

In 2024-25, the VBA released four research reports:

- VBA procured projects¹⁴:
 - [Examining moisture related disputes in Victorian residential buildings](#)
- VBA Research Grant Program:
 - RGP21 – [University of Tasmania: Assessment of mould growth risk in regulatory compliant 6 and 7 star new homes in Victoria](#)
 - RGP22 – [Swinburne University of Technology: Investigation of water leakage in residential apartment \(concrete\) balconies](#)
 - RGP22 – [RMIT University: Developing a Virtual Reality self-evaluation platform to reduce non-compliant building and plumbing work](#)

Practitioner education webinars based on research

In 2024-25, the VBA delivered two research driven practitioner education webinars:

- Research Insights: [Management of Condensation and Mould Growth Risks](#)
- Research Insights: [Water ingress in buildings: balconies, roofs and drainage](#)

For more information about the VBA's Research, visit: vba.vic.gov.au/about/research

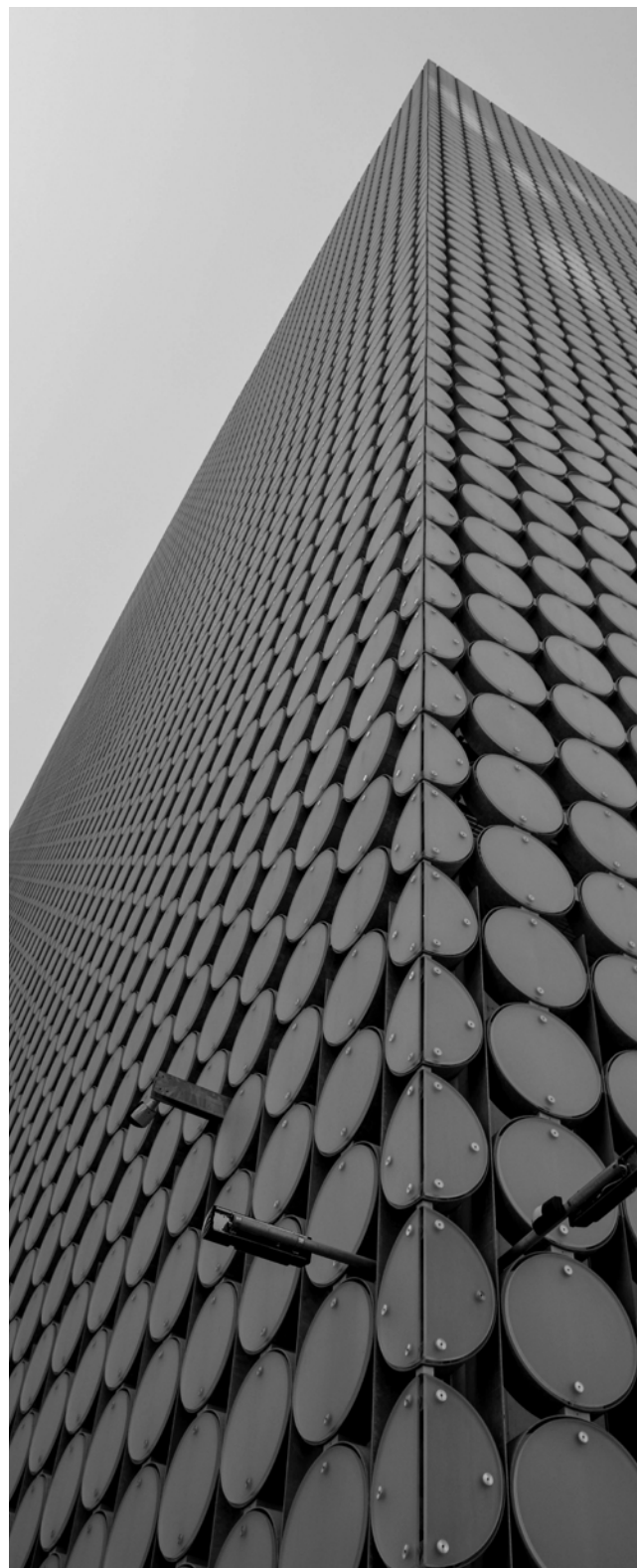


Table 7: Disclosure of review and study expenses

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Investigating water pressure in the plumbing systems of Victorian houses (Deakin University)	To explore how pressure monitoring, combined with machine learning and artificial intelligence driven data analysis can be used to create smart plumbing systems that can support early detection of problems in residential plumbing systems in Class 1 buildings.	The research will focus on collecting data at a household level, using smart water sensors installed in homes participating in the research.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Improve understanding of pressure conditions in residential plumbing systems and help create future smart plumbing systems.	\$25,000	\$58,000 (research grant, in progress)

Publicly available URL:

[Investigating water pressure in the plumbing systems of Victorian homes](#)

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Virtual Reality-based building code assessment training for early-career building surveyors (University of South Australia)	To support the development of a prototype for a Virtual Reality-based building code assessment training tool that aims to enhance learning opportunities for early-career building surveyors.	Insights from experienced building surveyors about common challenges faced by early-career building surveyors.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Develop an immersive training program that helps early-career building surveyors fast-track their development and further enhance real-world skills in building code assessment.	\$10,000	\$50,000 (research grant, in progress)

Publicly available URL:

[Virtual Reality-based building code assessment training for early-career building surveyors](#)

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Designing and building safely on Victoria's expansive soils (University of South Australia)	To support the development of practical guidelines aimed at reducing structural damage to buildings caused by the swelling and shrinkage of expansive soil due to moisture fluctuations.	Victorian soil and climate data.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Improve building structural integrity and safety in areas with expansive soils by creating a prediction tool and interactive map highlighting the areas of Victoria where building structural integrity is at greatest risk due to expansive soil and developing construction guidelines specific to Victoria's expansive soil regions to help architects, building designers, builders and building surveyors make informed decisions.	\$15,000	\$42,000 (research grant, in progress)

Publicly available URL:

[Designing and building safely on Victoria's expansive soils](#)

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Assessment of thermal bridging in Victorian apartment buildings (RMIT University)	To conduct on-site assessment of thermal bridging in apartment buildings in Victoria.	On-site assessment of thermal bridging in apartment buildings in Victoria.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Develop an interactive and evaluative tool that includes design solutions and practice notes on mitigating thermal bridging.	\$20,000	\$64,000 (research grant, in progress)

Publicly available URL:

[Assessment of thermal bridging in Victorian apartment buildings \(RMIT University\)](#)

Year in review

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Developing measures to combat insolvency in the residential construction industry (Victoria University)	To examine Victorian residential building companies to better understand company behaviour before they are confronted with insolvency risk.	Conduct financial and economic analysis of insolvent residential construction companies, examine key factors contributing to insolvency risk in residential construction, and investigate early indicators of insolvency and detrimental impacts.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Create a roadmap with practical steps that can help protect the viability of and build confidence in, the residential construction industry.	\$20,000	\$36,000 (research grant, in progress)

Publicly available URL:

[Developing measures to combat insolvency in the residential construction industry](#)

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Investigation of water leakage in residential apartment (concrete) balconies (Swinburne University)	To identify the causes of water ingress in concrete balconies in Class 2 buildings and opportunities for improvement to current regulations, standards and work practices.	Analysis of literature, practitioner insights and case studies to identify causes of concrete balcony failures and opportunities for improvements.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Opportunities to improve performance of concrete balcony design, build materials and construction methods, and quantify the efficacies of waterproofing methods.	\$0	\$80,000 (research grant)

Publicly available URL:

[Investigation of water leakage in residential apartment \(concrete\) balconies](#)

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Improving building envelope resilience to moisture damage (University of Sydney)	To improve the resilience of building envelopes to moisture damage and mould growth.	One-dimensional (standard) and two-dimensional hygrothermal analysis of typical external building envelopes constructed in Victoria, including details such as building corners, thermal bridges, balconies and wall/ roof intersections.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Comprehensive recommendations for the design, construction and maintenance of climate-appropriate building envelope methods in Victoria.	\$5,000	\$110,000 (research grant)

Publicly available URL:

[Improving building envelope resilience to moisture damage](#)

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Developing a Virtual Reality self-evaluation platform to reduce non-compliant building and plumbing work (RMIT University)	To give practitioners alternative learning opportunities to identify and self-evaluate non-compliance in building and plumbing work using real building site inspection scenarios through virtual reality technology.	Develop proof of concept Virtual Reality (VR) based inspection scenarios and a platform for practitioners to self-assess risk of non-compliant building and plumbing work in their own projects.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
Practitioners' knowledge of non-compliance risks and ability to self-evaluate their own work are improved through a flexible, economical training alternative.	\$0	\$60,000 (research grant)

Publicly available URL:

[Developing a Virtual Reality self-evaluation platform to reduce noncompliant building and plumbing work](#)

Year in review

Name of research project or study	Reasons for research or study	Terms of reference/ scope
Building 4.0 Cooperative Research Centre (CRC)	Building 4.0 CRC is an industry-led research initiative co-funded by the Australian Government, with research program streams (sectoral, digital and building transformation streams) that are aligned to the VBA's research focus and will help drive digital adoption and systemisation of the industry.	Building 4.0 CRC aims to address longstanding systemic problems in the construction industry including stagnating productivity, limited digitisation or adoption of advances in manufacturing technology, and poor knowledge transfer.
Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)
By participating in the CRC, the VBA is working closely with industry and research leaders who have advanced digital and technological expertise, on common projects and initiatives that improve digitalisation and innovation in the building industry.	\$50,000	\$350,000 (total contribution over seven years until 2027-28)

Publicly available URL:

[Building 4.0 Cooperative Research Centre](#)

Projects in progress or completed in 2024-25

- Project 21: [Regulatory reform for industrialised construction](#)
- Project 48: [Scoping study for building the future – circular economy](#)
- Project 49: [Implications of Industry 4.0 technologies on work practices](#)
- Project 55: [Towards smart contracts and smart finance in construction](#)
- Project 56: [Accelerating Building 4.0 CRC research translation and impact](#)
- Project 58: [The Retrofit Housing Atlas: Adaptive reuse of housing in Australia](#)
- Project 66: [Future of construction education](#)
- Project 80: [Insolvency in the construction industry](#)
- Project 90: [Evaluating the effectiveness of roofing work inspections using Remotely Piloted Aircraft Systems](#)

Digital and Data

In 2024-25, the VBA's Digital and Data team played a central role in enabling the successful establishment of the BPC, delivering critical digital foundations and transformation initiatives across the organisation.

In the second half of 2024-25, we committed resources to the BPC Establishment and Business Continuity project, which provided the underlying digital infrastructure to support a seamless transition into the BPC operating model. This included implementing redundant cloud firewalls and dual internet links, significantly enhancing our system resilience and connectivity across all sites.

This important project set the foundations for a seamless experience in setting up the BPC.

Detached permits

In 2024-25, the project team established to address the impacts of detached permits on consumers concluded its work.

To reduce the occurrence of detached permits, and improve their management, key policies, processes, definitions, analysis and business rules were developed which have been embedded within the VBA's operations.



Security of Payment

The *Building and Construction Industry Security of Payment Act 2002 (Vic)* (SoP Act) provides mechanisms for building and plumbing practitioners and contractors to obtain payment for work undertaken, or for the supply of related goods and services. The objective of the SoP Act is to enable better and prompt payment practices, which benefit the industry, and ultimately the broader community.

Adjudication application activity

The Security of Payment adjudication process is managed by Authorised Nominating Authorities (ANAs), which are authorised to perform this service by the VBA. The process intends to provide a fast and inexpensive adjudication service for claimants (those owed money) to recover payment from respondents (those owing payment), without the need for lawyers.

Table 8: Security of Payment

	2024-25	2023-24
Number of adjudication applications	326	332
Total value of amounts claimed (\$million)	128	120
Number of matters adjudicated	188	196
Total value of adjudicated amounts (\$million)	22	42

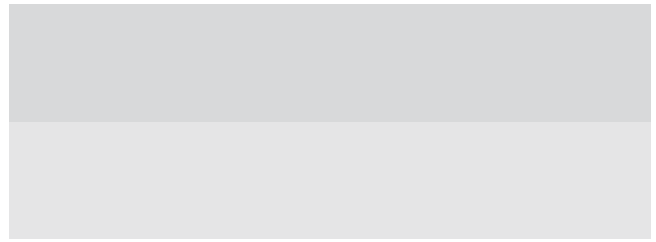
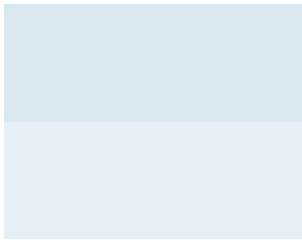
The VBA publishes an annual adjudication activity report containing detailed statistics on adjudication activity at: vba.vic.gov.au/building/security-of-payment/adjudication-activity-statistics

Registered Building Practitioner (RBP) profile of parties

Data about the registration status of parties to an adjudication application from 2024-25 showed a decrease of claimants who were registered building practitioners, while there was a slight increase of respondents who were registered building practitioners. The data is broadly consistent with year-on-year data collected and published since 2019-2020.

Table 9: RBP profile of parties

	2024-25	2023-24
Percentage of Claimants who are RBP (%)	19	25
Percentage of Respondents who are RBP (%)	45	42



Reform and regulatory activity

In October 2024, the Government responded to the Legislative Assembly’s Environmental and Planning Committee’s Inquiry into employers and contractors who refuse to pay their subcontractors for completed works. The Government supported all 28 of the Committee’s recommendations (16 recommendations in full and 12 recommendations in principle, or in part). This has resulted in actions to be delivered in two tranches.

Tranche 1 reforms are mainly being progressed through legislative reform. In addition, a new Ministerial Guideline came into effect on 2 May 2025 which gives effect to an Inquiry recommendation to amend the ANA Conditions of Authorisation and apply a contemporary regulatory approach by exercising the power to extend the current authorisation period of ANAs. The ANA Conditions of Authorisation were amended to require ANAs to disclose their fee sharing arrangements with adjudicators and the services provided for those fees. This means that more transparency is applied to the arrangements.

The current authorisation period of all ANAs has been extended for a period of two years, extending the term of authorisation from three years to five years.



VBA's internal review process

The internal review process allows persons directly affected by certain VBA decisions to seek independent review within the VBA. The internal reviewer is functionally separate from the primary decision-maker.

The review process is an important safeguard under the Act. Internal review is intended to be quick and cost-effective. It also helps the VBA to promptly identify areas for improvement in its decision-making processes.

Internal review is available under the Act for review of "reviewable decisions". These are generally decisions relating to registration applications or decisions to take disciplinary action against registered building practitioners. Reviewers may consider new information not previously available to the primary decision-maker.

Internal reviews of infringement notices are a separate process and are carried out under the *Infringements Act 2006*. All infringement internal reviews conducted in 2024-25 relate to plumbing offences.



**Table 10: Internal review**

	2024-25	2023-24
Internal reviews received for registration decisions	156	140
As a proportion of registrations refused	27%	22%
Completed within 28 days		
Affirmed ¹⁵	105	105
Amended ¹⁶	0	0
Substituted ¹⁷	41	41
Total registration reviews completed	146	146
Internal reviews received for disciplinary decisions	18	21
As a proportion of show cause decisions	23%	27%
Completed within 28 days:		
Affirmed	9	7
Amended	8	8
Substituted	3	2
Total disciplinary reviews completed	20	17
Internal reviews completed for infringement notices	11	21
Total internal reviews completed	177	184

15: Affirmed is when a VBA decision remains unchanged.

16: Amended is when some changes are made to the original VBA decision.

17: Substituted means when the VBA's original decision is replaced with a different decision.

Freedom of information

The VBA is committed to making information easily accessible to the public and releases a large amount of information through online and print publishing, social media platforms, information sessions and in-person.

Under the *Freedom of Information Act 1982 (Vic)* (FOI Act), the VBA receives and processes applications to access VBA documents in accordance with the Act. The Act allows the public a right of access to documents held by the VBA, and for the VBA to refuse access, on certain grounds.

Processing time for requests is usually 30 days, which may be extended to 45 days if third party consultation is required, or longer by agreement with the applicant. Section 16 of the FOI Act requires the VBA to make the maximum amount of information available to the public promptly and inexpensively. To make information available outside of the formal FOI Act process, the VBA must first identify another legal basis for the disclosure of that information. The Act contains some limited provisions enabling the VBA to do this.

Proactive release

The VBA's proactive release policy enables requests for some documents held by the VBA to be processed without an FOI application or referral to the FOI team.

The proactive release policy facilitates access to the following documents for people permitted by law to access them:

- rectification notices,
- plumbing compliance certificates,
- certificates prepared by the VBA,
- domestic builder's insurance information,
- plumbing audit and inspection reports; and
- building practitioner or plumber business contact details.

From October 2024, the VBA commenced providing plumbing insurance information without an FOI request. This is the main reason that the number of FOI requests received in 2024-25 compared to last financial year has decreased.

Making a request

FOI requests can be lodged by completing the application form available from the VBA website: vba.vic.gov.au/legal/foi.

An application fee of \$33.60 applies. Additional access charges may apply for particularly labour-intensive, time consuming or voluminous searches. The VBA can also waive fees and charges in certain circumstances, such as demonstrated financial hardship.

Review a request

Applicants can request a review of a VBA decision by contacting the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving the VBA's decision letter.

VCAT appeals

In 2024-25, five VCAT reviews were lodged relating to VBA FOI decisions of which all were ongoing at 30 June 2025, compared to three VCAT reviews in 2023-24.



Statistics and timeliness

In 2024-25, the VBA received 408 FOI requests, of which 339 were valid, 48 never became valid and 21 requests were being validated as at 30 June 2025.

Of the valid requests, 286 decisions were provided, 36 were withdrawn or not proceeded with by the applicant and 17 were carried over into 2025-26 to be finalised. Of the 286 decisions made for valid requests, 99.7 per cent were finalised within the statutory timeframe. This compared favourably to last year, where 99.6 per cent were finalised within the statutory timeframe.

The VBA decided 428 valid requests in 2024-25, which included 58 decisions received last year. Most requests were made by property owners seeking practitioner insurance details, plumbing compliance certificates, contact information of practitioners and investigation and complaint files.

Table 11: FOI application outcomes

	2024-25	2023-24
Released in full	21	29
Released in part	65	66
Denied in full	22	18
Released outside the FOI Act	166	296
No documents could be found	6	14
Transferred to another agency	0	0
Act does not apply	6	3
Withdrawn	22	22
Not proceeded with	14	1
Not processed	0	0
Not yet finalised	17	34
Total	339	483

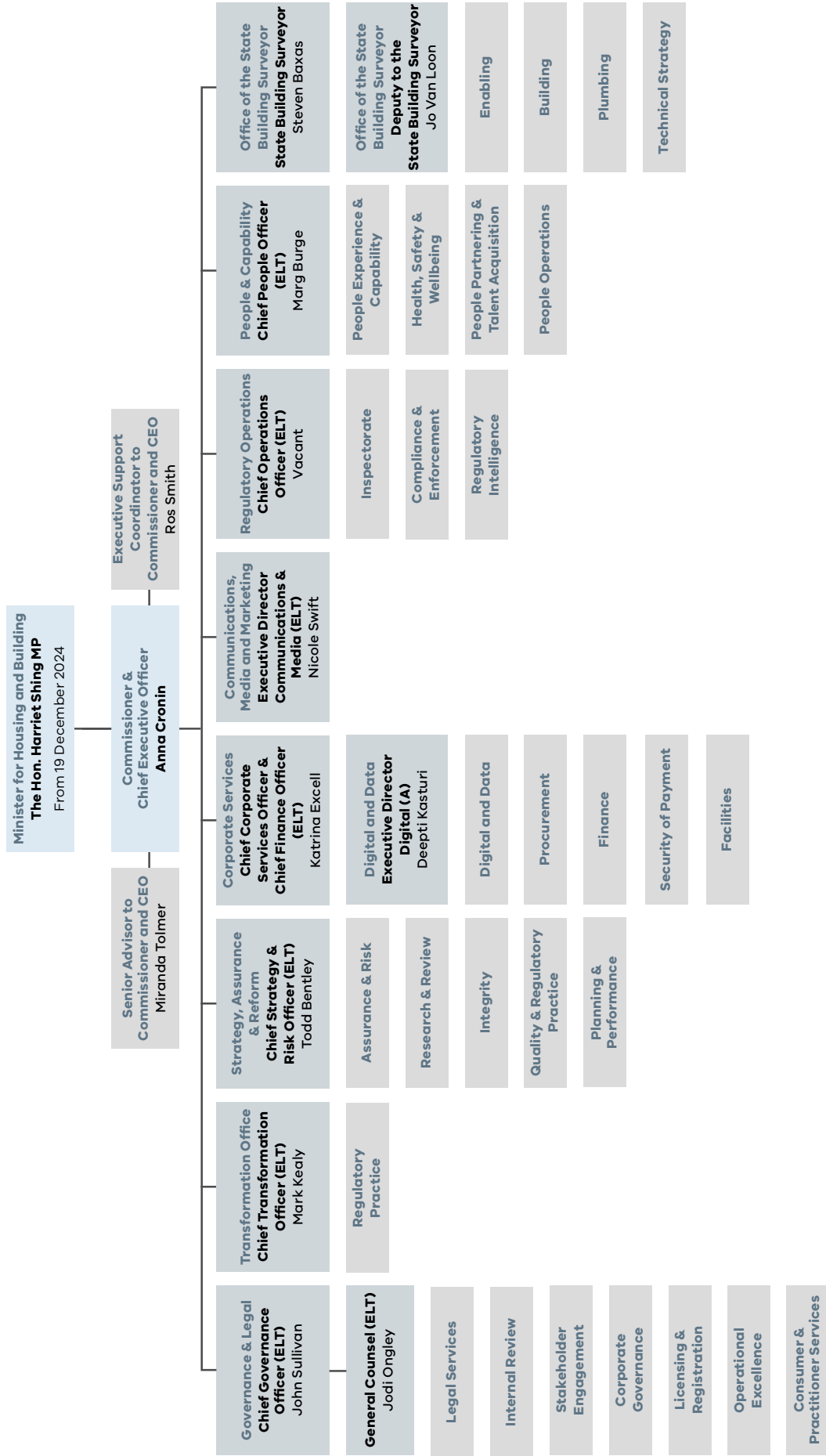
Governance





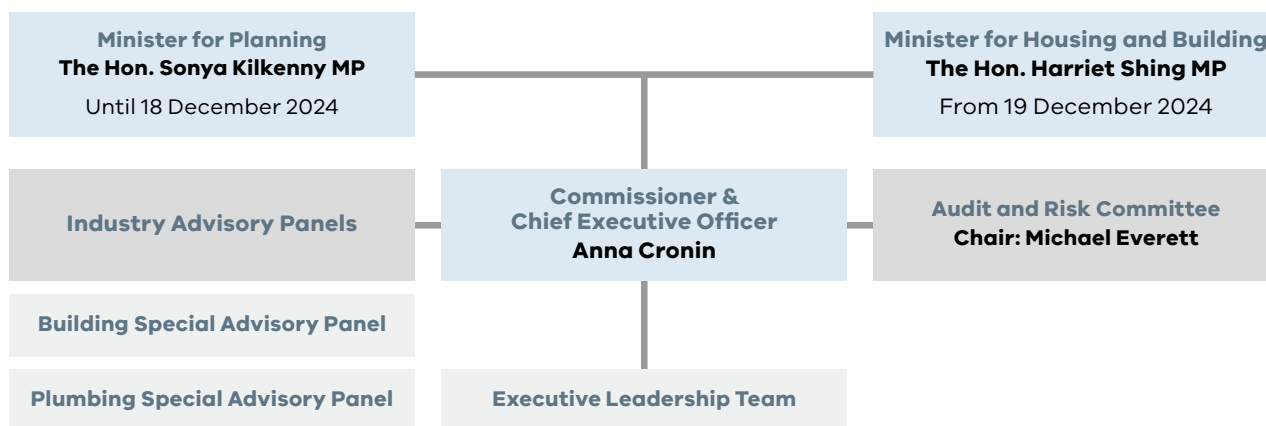
VBA organisation chart

Figure 1: Organisation chart



VBA governance chart

Figure 2: VBA governance chart



VBA governance structure

In 2024-25, the VBA continued to be governed by a sole Commissioner. This approach was initiated on 31 March 2024 following the declaration of the VBA as a reorganising body under the *State Owned Enterprises Act 1992*, and the subsequent replacement of the former VBA Board with a single Commissioner who is also the CEO.

The changes were introduced to allow the VBA to undertake the significant transformation needed and to respond to emerging priorities in the building industry and support its regulatory activities in the context of the Government's building reform program.

The VBA Commissioner and CEO is responsible for the governance and strategic management of the VBA. This includes:

- overseeing the delivery of the VBA's functions, objectives and performance,
- developing and implementing the overall strategy of the VBA,
- establishing appropriate and effective financial governance and oversight arrangements, including the regular review of the effectiveness of those arrangements,
- overseeing the VBA's systems for internal control, risk management, auditing and legal compliance; and
- selecting and appointing an Acting CEO, with the approval of the Minister when the CEO is on leave.

To support the Commissioner and CEO, several changes were made to the governance structures and processes of the organisation, including:

- replacing the VBA Board's Risk, Audit and Finance Committee with an independent Audit and Risk Committee, reporting directly to the Commissioner,
- creating two Special Advisory Panels, with members comprising key building and plumbing stakeholders, to advise the Commissioner on key regulatory matters,
- enhancing the role of the Executive Leadership Team to provide advice to the Commissioner on key components of good governance, including strategic planning, risk, financial management, organisational culture, and health and safety; and
- reviewing and streamlining all delegations and authorisations.

Governance

Audit and Risk Committee

The Audit and Risk Committee (ARC) is an integral component of our best practice governance framework.

ARC members are appointed by the Commissioner to assist with fulfilling the obligations of the *Standing Directions 2018* under the *Financial Management Act 1994*, and are responsible for providing independent oversight and advice to the BPC Commissioner on the effectiveness of the BPC's systems and controls for financial management (including asset management), risk management, performance and sustainability.

The ARC comprises a minimum of three independent members who are appointed for a term of two years. Current membership includes the Chair, Mr Michael Everett, and Independent Members Ms Maria di Gregorio and Ms Kerrie Howard. Collectively, the ARC members have a broad range of skills and experience as required by the Standing Directions and related legislation.

In 2024-25, the Audit and Risk Committee met on five occasions.

Industry Advisory Panels

To facilitate consultation with key industry stakeholders, the VBA established two advisory panels – the Building Special Advisory Panel (BSAP) and the Plumbing Special Advisory Panel (PSAP).

The role of these panels is to advise the VBA Commissioner on a range of matters, including:

- VBA practices and performance,
- industry practices and performance,
- improving the customer experience,
- local, national, and international factors that impact on industry behaviours, consumer outcomes and compliance with Victorian laws,
- new technologies, consumer trends, and emerging risks that are expected to impact on the building industry and consumers; and
- future regulatory reforms and changes in VBA policies or practices.

The Panels are comprised of independent members who have the knowledge, skills and experience necessary to contribute advice and industry insights to support the VBA Commissioner to improve regulatory performance to the benefit of consumers. Members include senior representatives from key industry organisations, professional associations, unions, councils and consumer bodies.

In 2024-25, the Building Special Advisory Panel met on seven occasions and the Plumbing Special Advisory Panel met on six occasions.

Executive Leadership Team

The Commissioner and CEO is supported by the Executive Leadership Team (ELT) in the day-to-day management of the organisation.

Following the replacement of the VBA Board with a sole Commissioner, the role of the ELT was expanded to support the Commissioner and CEO in the governance of the organisation. In particular, it was determined that, under authorisation from the CEO, the ELT would operate as the primary decision-making forum for the VBA, and that its role would include:

- reviewing and endorsing key strategic and operational matters, including strategic plans,
- overseeing delivery of objectives and assessment of performance against strategic plans,
- holding management to account for delivery,
- monitoring and reviewing compliance,
- reviewing and finalising budget management,
- monitoring strategic and key operational risks and implementing controls,
- overseeing financial probity arrangements and regularly reviewing their effectiveness,
- monitoring culture and safety issues,
- reviewing stakeholder engagement strategies,
- managing the performance of delegated functions; and
- reviewing corporate policies (including former Board policies) and revising these as necessary.



Disclosures





Disclosures

Local Jobs First

No VBA procurement activities or projects were undertaken at or above the respective expenditure disclosure thresholds identified in the Local Jobs First policy.

Government advertising expenditure

No VBA advertising campaigns were undertaken at or above the expenditure disclosure threshold of \$100,000 for total media spend.

Consultancy expenditure

Details of consultancies valued at greater than \$10,000

In 2024-25, there were 31 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2024-25 in relation to these consultancies was \$2,294,608 (excluding GST). Information about individual consultancies is published on our website.

Details of consultancies valued at less than \$10,000

In 2024-25, there were 10 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2024-25 in relation to these consultancies was \$40,306 (excl. GST).

Disclosure of sponsorships

The VBA's sponsorships relate to building and plumbing industry and consumer events or programs. In 2024-25, there were four sponsorships valued at \$24,318.

Disclosure of major contracts

The VBA adheres to the Victorian government's policy of disclosing contracts worth \$10 million or more, in accordance with the *Financial Management Act 1994*. In 2024-25, the VBA had no contracts worth \$10 million or more.

Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the *Standing Directions 2018* under the *Financial Management Act 1994*.

The VBA has a social procurement strategy that defines our objectives, the approaches that will be taken to achieve these objectives, and the capability required to implement these approaches.

The VBA Social Procurement Objectives are:

- opportunities for Victorian Aboriginal people,
- opportunities for Victorians with disability,
- opportunities for Victorian priority jobseekers,
- sustainable Victorian regions; and
- sustainable Victorian social enterprises and Aboriginal business sectors.

The Framework aims to provide opportunities for Victorian Aboriginal people and Victorians with disabilities by identifying contracts that would have interest from these communities. It also encourages early engagement to improve participation, sets out procurement approaches to ensure access to bidding is culturally appropriate, and uses supplier-established public registers to directly or indirectly procure from social enterprises, Australian disability enterprises and Aboriginal businesses.

In 2024-25, the VBA's procurement expenditure included \$19,396 with certified social enterprises, and Aboriginal businesses.

Disclosure of emergency procurement

In 2024-25, there were no emergency procurement activities.

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), the VBA must disclose any formal complaints relating to the procurements of goods and services through its procurement complaints management system.

In 2024-25, the VBA received no formal complaints through its procurement complaints management system.

Information and communication technology expenditure

In 2024-25, the VBA's Information and Communication Technology (ICT) expenditure totalled \$18.6 million, compared to \$22.1 million in 2023-24. ICT expenditure refers to the VBA's cost in providing business-enabling ICT services. It comprised of business-as-usual ICT expenditure and non-BAU ICT expenditure. BAU ICT expenditure is all ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability. Non-BAU ICT expenditure relates to extending or enhancing the VBA's current ICT capabilities.

Table 12: Details of information and communication technology expenditure

	(\$ million)
All operational ICT expenditure	
Business as Usual (BAU) ICT expenditure	14.5
ICT expenditure related to projects to create or enhance ICT capabilities	
Non-Business as Usual (non-BAU) ICT expenditure	4.1
Operational expenditure	1.7
Capital expenditure	2.4
Total ICT expenditure	18.6

Disclosures

Office-based environmental impacts

The following tables outline the VBA's energy consumption, landfill waste, paper use, travel and greenhouse gas emissions during 2024-25.

Energy use

The VBA's energy use for 2024-25 has decreased from the previous financial year because of a change in premises from Good Sheds North, Docklands to 242 Exhibition Street, Melbourne. Our usage is a pro-rata estimation for our tenancy as part of the entire building at 242 Exhibition Street, Melbourne.

Table 13: Energy use

	Indicator	2024-25	2023-24
E1	Total energy usage segment by primary source (MJ)		
	Electricity (MJ) – excluding green power, which is not yet available	635,965	1,300,630
	Natural gas (MJ)	0	0
	Green power (MJ)	0	0
	LPG (MJ)	0	0
E2	Total greenhouse gas emission from energy consumption (tonnes CO ₂ -e)		
	Electricity (tonnes CO ₂ -e) – excluding green power	207	424
	Natural gas (tonnes CO ₂ -e)	0	0
	Green power (tonnes CO ₂ -e)	0	0
	LPG (tonnes CO ₂ -e)	0	0
E3	Percentage of electricity bought as green power	0	0

Paper use

The VBA maintained an ongoing transition to digital processing of documents and as more employees have returned to the office, an increase in paper use has occurred.

Table 14: Paper use

	Indicator	2024-25	2023-24
P1.	Total units of A4 equivalent copy paper used (reams)	918	729
P2.	Units of A4 equivalent copy paper used per FTE (reams/FTE)	1.62	1.51
P3.	75–100% recycled content	100	100
P4.	50–74% recycled content	0	0
P5.	0–49% recycled content	0	0

Waste, water and recycling

The VBA's office relocation contributed to an increase in paper and card volumes due to new IT equipment and the 242 Exhibition Street office fit out. The VBA continued to share information with employees about improved waste management practices. The increase in secure document destruction related to vacating Goods Shed North.

Water consumption data is not available for individual floors/tenancies at Goods Shed North or 242 Exhibition Street, as there are no separate water metres for each tenancy.

Table 15: Waste and recycling

Indicator	2024-25	2023-24
Ws1. Total units of waste disposed of by destination (kg/year)		
Landfill (kg)	2,041	2,325
Comingled recycling (kg)	239	319
Paper and card (kg)	1,006	583
Secure documents (kg)	6,900	1,050
Organics	388	452
Ws2. Total units of waste disposed of per FTE by destination (kg/FTE)		
Landfill (kg/FTE)	4	5
Comingled recycling (kg/FTE)	0	1
Paper and card (kg/FTE)	2	1
Secure documents (kg/FTE)	4.5	2
Organics (kg/FTE)	1	1
Ws3. Recycling rate (%)	10	12
Ws4. Greenhouse gas emissions associated with waste (tonnes CO ₂ -e)	6.39	5.72

Disclosures

Travel and transport

The VBA fleet consisted of 96 vehicles, of which two are fuelled by unleaded petrol and 94 are hybrid.

Table 16: Travel and transport

Indicator	2024-25	2023-24
T1. Total energy consumption by fleet vehicles (MJ)		
Unleaded	283,251	580,675
Hybrid	3,050,509	2,800,234
T2. Total distance travelled consumption by fleet vehicles (km)		
Unleaded	40,879	180,207
Hybrid	1,125,860	1,103,228
T3.a Total greenhouse gas emissions from fleet vehicles (tonnes CO ₂ -e)		
Unleaded	18	79
Hybrid	320	313
T3.b Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO ₂ -e)		
Unleaded	0.02	0.08
Hybrid	0.32	0.31
T4. Total distance travelled by air (km)	13,206	15,962

Greenhouse gas emissions

The VBA's vehicle-related emissions decreased as the fleet relied less on unleaded petrol vehicles. The organisation continued to educate and raise awareness about reducing emissions.

Table 17: Greenhouse gas emissions

Indicator	2024-25	2023-24
G1. Total greenhouse gas emissions associated with energy use (tonnes CO ₂ -e) <i>[Note: This includes office-based data only]</i>	207	423
G2. Total greenhouse gas emissions associated with vehicle fleet (tonnes CO ₂ -e)	308	399
G3. Total greenhouse gas emissions associated with air travel (tonnes CO ₂ -e)	9	0
G4. Total greenhouse gas emissions associated with waste disposal (tonnes CO ₂ -e) <i>[Note: This includes office-based data only]</i>	6.39	5.88
G5. Total greenhouse gas emissions offset purchased (tonnes CO ₂ -e)	0	0

Greener procurement

The VBA's main areas of procurement are contractors and goods and services. Examples of how the VBA incorporated environmental considerations into procurement decision making include:

- considering environmental impacts as part of our evaluation report checklist when procuring goods and services,
- where applicable, giving preference to vendors that disclose environmental practices; and
- where applicable, giving preference to vendors that show a commitment to social responsibility.

Compliance with the *Building Act 1993*

The VBA owns regional offices in Ballarat, Bendigo, Morwell and Wangaratta. The VBA conducts annual inspections of these buildings to ensure they remain compliant and are maintained to the best possible standard. Reports are provided to management to ensure compliance with building standards and regulations is up to date.

The VBA conducted no major projects or works valued at greater than \$50,000 on VBA-owned buildings in 2024-25.

Compliance with the *Building Regulations 2018*

The *Building Regulations 2018* came into effect on 2 June 2018. The Building Regulations are a subordinate legislation of the *Building Act 1993* and contain, among other things, requirements relating to building permits, building inspections, occupancy permits, enforcement and maintenance of buildings.

The Regulations adopt the Building Code of Australia (BCA), which is part of the National Construction Code (NCC).

Victoria's building regulations generally have a ten-year shelf life before undergoing a comprehensive review to ensure they remain fit-for-purpose and meet intended objectives. The VBA is a key stakeholder in the review process and implementation of the Regulations.

The VBA adheres to the *Building Regulations 2018* when undertaking its activities.

Compliance with the *Plumbing Regulations 2018*

The *Plumbing Regulations 2018* came into effect on 18 November 2018. The Plumbing Regulations are a subordinate legislation of the *Building Act 1993* and contain, among other things, the aspects of plumbing work related to the scope of work for all classes of plumbing work and specialised plumbing work, the qualifications and experience eligibility requirements for registration and licensing of each class, the fees payable for registration and licensing applications and the price of compliance certificates and additional technical requirements with which work performed in specified classes of plumbing must comply.

The VBA adheres to the *Plumbing Regulations 2018* when undertaking its activities.

Competitive neutrality policy

Fair competition between public and private businesses is supported by the competitive neutrality policy. The VBA continues to comply with competitive neutrality, which provides government businesses with a tool to enhance their decision-making capability on resource allocation. This policy does not override other policy objectives of government and exists to improve service provision efficiency. The VBA's compliance with competitive neutrality is governed by the competition principles agreement and the competition and infrastructure reform agreement.

A high integrity organisation

We do not tolerate fraud, corruption, or improper conduct, and any employee engaging in this conduct is held to account with responses including disciplinary action, referral to the Independent Broad-based Anti-corruption Commission (IBAC), and making a report to Victoria Police.

All of our staff are encouraged, supported, and required to report suspected fraud, corruption, and improper conduct. They are regularly required to provide an attestation regarding their understanding of, and compliance with, their obligations.

Every credible allegation is investigated, and we cooperate fully with any investigations or enquiries by IBAC or the Victorian Ombudsman.

Disclosures

Compliance with the *Public Interest Disclosure Act 2012*

The *Public Interest Disclosures Act (PID) 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. It provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Examples of conduct which may be disclosed include:

- taking or offering bribes,
- misusing work information or material,
- dishonestly using influence,
- taking detrimental action against a person because they have made a disclosure; and
- conspire or attempt to do any of the above.

Making a disclosure

You can make a public interest disclosure of improper conduct or detrimental action by contacting:

Independent Broad-based Anti-corruption Commission (IBAC)

Level 1 North Tower 459 Collins Street Melbourne VIC 3000

Telephone: 1300 735 135

Internet: www.ibac.vic.gov.au

or:

Victorian Ombudsman

Telephone: 1800 806 314

Internet: www.ombudsman.vic.gov.au

The VBA will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Other reporting avenues

You can report your concerns to the BPC (formerly VBA), however these will not receive the legal protections available under the PID Act.

BPC Integrity Unit

Email: integrity@bpc.vic.gov.au

Safe2Speak

Telephone: 1300 30 45 50

Email: safe2speakvba@stipline.com.au

Depending on the nature of the report, the VBA may be required by law to notify IBAC of the allegations.

Compliance with the *Disability Act 2006*

The VBA's responsibility to support, promote and adjust its workplace to ensure people with a mental, physical or intellectual disability are respected and can do their job effectively and safely remains a high priority.

Reporting procedures

The VBA continued to support and implement systems and processes that enable and encourage people with a disability to interact with the regulator, whether they be building practitioners, consumers or members of the public. Information about VBA services is readily available through accessible information on the VBA website. People with hearing impairments can access the VBA customer service centre through teletype (TTY) facilities. The VBA also makes reasonable adjustments for building practitioners undertaking assessments.

An accessible work environment

The VBA complies with the *Disability Act 2006* during the entire employment cycle, from attraction and recruitment to onboarding and exiting. The implementation of screen and text size requirements, and the availability of ergonomic equipment and accessible facilities form part of these provisions.

Providing accessible information

The VBA website was the primary portal for conveying information to practitioners, consumers and members of the public. Through it, the VBA provided clear and accessible information.

Governing the expectation of accessible web design is the VBA's compliance with the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines 2.0 at Level AA. The VBA's practice also complies with the Victorian Government's accessibility standard.

The website features information on how callers may contact the VBA using the National Relay Services and teletypewriter (TTY) support services if they are vision or hearing impaired.

An equal exam setting

Enhancing the professional development of Victoria's building practitioners is integral to the VBA's operations. The VBA ensures that access meets practitioners' needs, including during exam processes.

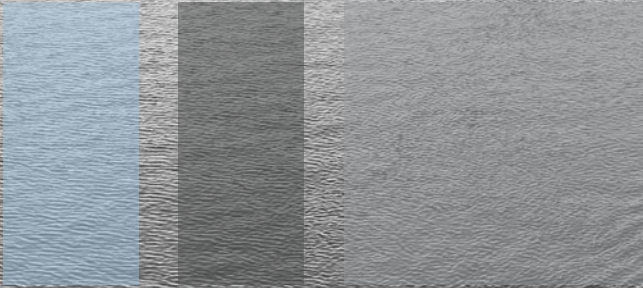
Compliance with the *Carers Recognition Act 2012*

The VBA recognises the role that many of our staff have as carers and supports them to balance their work and care responsibilities. We support staff who care for and support people with a mental illness, disability, chronic illness or complex care needs as well as older people with specific needs, children and young people with additional care needs, and people who have terminal illness.

The VBA has taken practical measures to comply with its obligations under the *Carers Recognition Act 2012*. Our program of work to support carers is informed by the carer relationship principles set out in the Act and the priority actions outlined in the Recognising and supporting Victoria's carers: Victorian Carers Strategy 2018-22.

The VBA's actions aim to reduce the barriers to workforce participation for carers and to ensure carers can make choices about work and their carers roles, are enabled to participate socially and economically, and are supported with their health and wellbeing.

Financial Statements



Declaration in the Financial Statements

The attached financial statements for the Victorian Building Authority (VBA) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of the VBA at 30 June 2025.

At the time of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 25 September 2025.



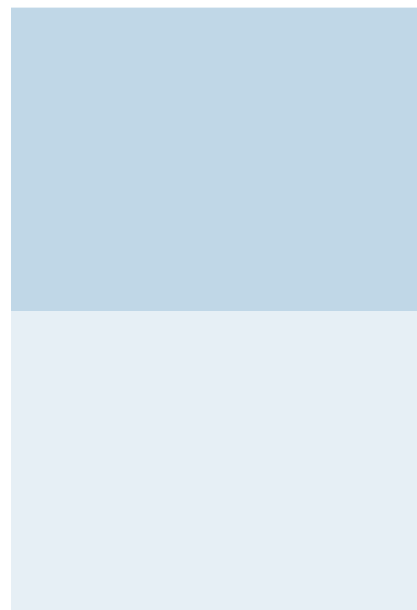
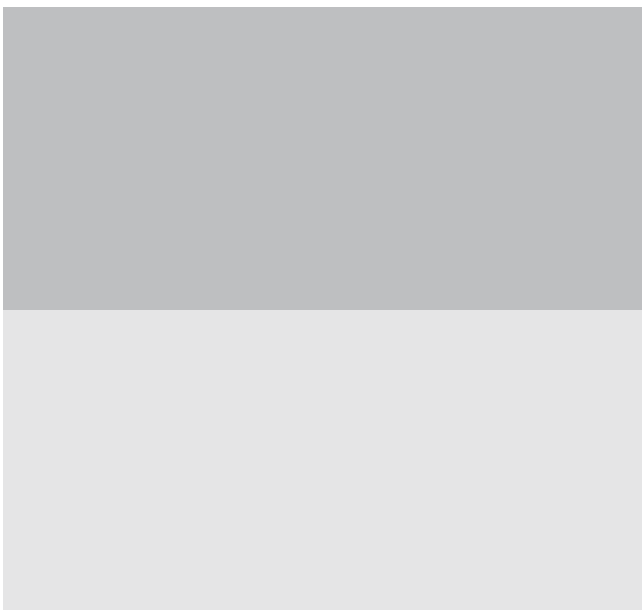
Anna Cronin

Commissioner and Chief Executive Officer
Victorian Building Authority
Melbourne



Katrina Excell

Chief Finance Officer
Victorian Building Authority
Melbourne





Independent Auditor's Report

To the Commissioner of the Victorian Building Authority

Opinion	<p>I have audited the financial report of the Victorian Building Authority (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2025• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including material accounting policy information• declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards – Simplified Disclosures.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Commissioner's responsibilities for the financial report	<p>The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the <i>Financial Management Act 1994</i>, and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commissioner is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner
- conclude on the appropriateness of the Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
30 September 2025



Paul Martin
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT ^(a)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(\$'000)

	Notes	2025	2024
Continuing Operations			
Revenue and Income from transactions			
Levies, fees and fines revenue	2.2.2	103,044	96,108
Grant income	2.2.3	26,094	9,345
Interest income	2.2.1	3,074	2,415
Other income	2.2.4	190	245
Total revenue and income from transactions		132,402	108,113
Expenses from transactions			
Employee costs	3.1.1	92,117	80,929
Board and committee costs		760	864
Grant payments	3.2	1,138	1,158
Other operating expenses	3.3	19,738	18,869
Depreciation and amortisation	4.1.3 & 4.2	5,023	5,257
Interest expense	6.1	466	87
Total expenses from transactions		119,242	107,164
Net result from transactions (net operating balance)		13,160	949
Other economic flows included in net result			
Net gain on non-financial assets ^(b)	8.1	238	191
Total other economic flows included in net result		238	191
Net result from continuing operations		13,398	1,140
Comprehensive result		13,398	1,140

The accompanying notes form part of these financial statements.

Notes:

- (a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.
- (b) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

BALANCE SHEET ^(a)
AS AT 30 JUNE 2025

	Notes	2025	2024
(\$'000)			
Assets			
Financial assets			
Cash and deposits	6.3	76,710	58,788
Receivables	5.1.1	1,348	996
Total financial assets		78,058	59,784
Non-financial assets			
Property, plant and equipment	4.1	15,356	10,184
Intangible assets	4.2	8,201	10,352
Other non-financial assets	5.3	1,886	2,223
Total non-financial assets		25,443	22,759
Total assets		103,501	82,543
Liabilities			
Payables	5.2.1	15,134	14,900
Contract liabilities	5.2.2	13,329	12,559
Borrowings	6.1	12,086	8,158
Employee-related provisions	3.1.2	15,599	11,951
Other provisions	5.4	-	747
Security deposits	8.6	2,676	2,949
Total liabilities		58,824	51,264
Net assets		44,677	31,279
Equity			
Accumulated surplus		41,750	28,352
Contributed capital		2,182	2,182
Physical asset revaluation surplus		745	745
Net worth		44,677	31,279

The accompanying notes form part of these financial statements.

Note:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

STATEMENT OF CHANGES IN EQUITY ^(a)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(\$'000)

	Physical asset revaluation surplus	Accumulated surplus	Contributed Capital	Total
Balance at 1 July 2023	745	27,212	2,182	30,139
Net result for the year	-	1,140	-	1,140
Balance at 30 June 2024	745	28,352	2,182	31,279
Balance at 1 July 2024	745	28,352	2,182	31,279
Net result for the year	-	13,398	-	13,398
Balance at 30 June 2025	745	41,750	2,182	44,677

The accompanying note forms part of these financial statements.

Note:

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

CASH FLOW STATEMENT ^(a)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(\$'000)

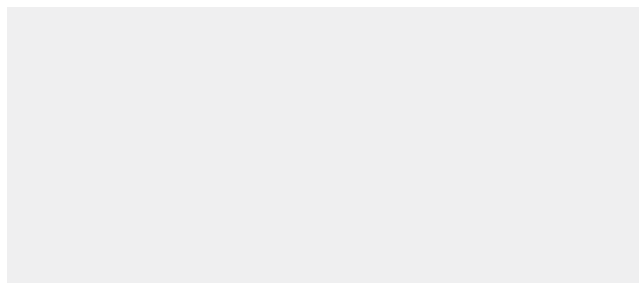
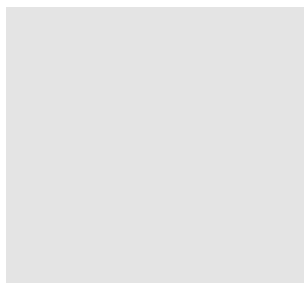
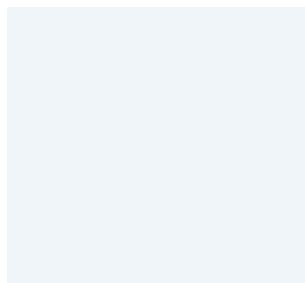
	Note	2025	2024
Cash flows from operating activities			
Receipts			
Receipts from customers		103,871	96,315
Interest received		3,074	2,415
Receipts of security deposits		518	669
Goods and services tax recovered from the ATO ^(b)		3,018	3,431
Grants received from State Government		26,094	9,345
Total receipts		136,575	112,175
Payments			
Payments of grants		(1,138)	(1,158)
Payment of interest		(132)	(87)
Refunds of security deposits		(791)	(696)
Payments to suppliers and employees		(110,313)	(104,289)
Total payments		(112,374)	(106,230)
Net cash flows from operating activities		24,201	5,945
Cash flows from investing activities			
Purchases of non-financial assets		(5,114)	(3,606)
Sale of non-financial assets		211	476
Net cash flows from/(used in) investing activities		(4,903)	(3,130)
Cash flows from financing activities			
Repayment of leases		(1,376)	(3,680)
Net cash flows from/(used in) financing activities		(1,376)	(3,680)
Net increase/(decrease) in cash and cash equivalents		17,922	(865)
Cash and cash equivalents at the beginning of financial year		58,788	59,653
Cash and cash equivalents at the end of financial year	6.3	76,710	58,788

The accompanying notes form part of these financial statements.

Notes:

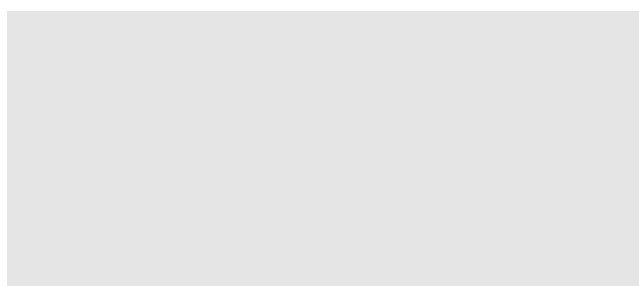
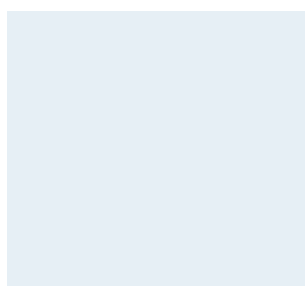
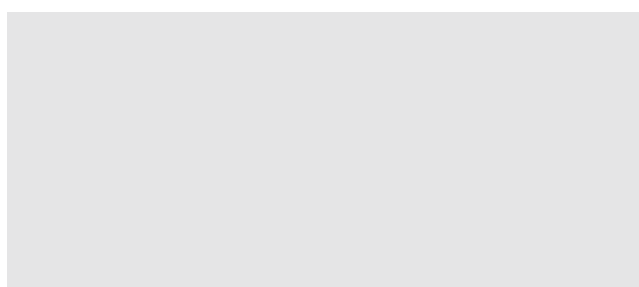
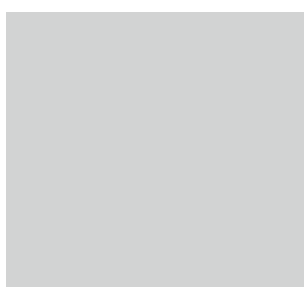
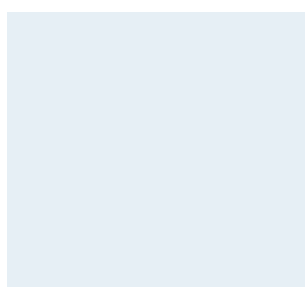
- (a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.
(b) GST received from the Australian Taxation Office is presented on a net basis.

Notes to the Financial Statements



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Note 1. About this report

These annual financial statements represent the audited general purpose financial statements for the VBA as an individual reporting entity and includes the Building Appeals Board (BAB), for the financial year ended 30 June 2025.

The VBA is a statutory authority established on 1 July 2013 under the *Building and Planning Legislation Amendment Act 2013* incorporating the former Building Commission and Plumbing Industry Commission.

Principal Address is:
Victorian Building Authority
Level 19, 242 Exhibition Street
Melbourne VIC 3000

A description of the nature of the VBA's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

The VBA is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The VBA's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the VBA is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions* (AASB 1004), contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the VBA.

Capital grants which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of distributions to or contributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover the VBA as an individual reporting entity and include all the controlled activities of the VBA. There is no entity consolidated into the VBA.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AASs), which include Interpretations issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Note 2. Funding delivery of our services

As Victoria's principal regulator for building and plumbing, the VBA regulates for a quality-built environment in Victoria. The VBA contributes to public health, safety and amenity by overseeing compliance with regulations, legal requirements, professional standards and encouraging continuous improvement. We do so in the interests of consumers and industry participants for the benefit of all Victorians.

This section of the financial statements identifies the funding sources that enable the VBA to achieve these objectives.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Income from transactions

2.1 SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	2025	2024
Levies, fees and fines revenue	2.2.2	103,044	96,108
Grants	2.2.3	26,094	9,345
Interest income	2.2.1	3,074	2,415
Other income	2.2.4	190	245
Total revenue and income from transactions		132,402	108,113

(\$'000)

Revenue and income that fund delivery of our services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes

2.2 INCOME FROM TRANSACTIONS

2.2.1 Interest income

Interest income includes interest received on cash and deposits. Refer to Note 7.1.1 for information on interest income.

Notes to the Financial Statements

2.2.2 Levies, Fees and Fines Revenue

	(\$'000)	
	2025	2024
Building-permit levy – general levy ^(a)	33,086	30,791
Building-permit levy – DBDRV levy ^(b)	16,545	15,391
Building-practitioner registration fees ^(c)	12,712	13,827
Building-corporate registration fees ^(d)	7,274	7,352
Building-prosecutions and inquiry fines ^(e)	1,548	846
Building-owner builder certification fees ^(f)	1,788	1,294
Building-modifications and appeals (BAB services) fees ^(g)	353	125
Registration Scheme (PERS) endorsement fees ^(h)	727	628
Plumbing-compliance certificates fees ⁽ⁱ⁾	21,470	18,825
Plumbing-registration and licence fees ⁽ⁱ⁾	7,004	6,556
Plumbing-examination fees ^(k)	439	395
Plumbing-prosecutions and inquiry fines ^(l)	98	78
Total building levies, fees and fines revenue	103,044	96,108

Notes:

(a) **Building permit levy - general levy**

The general building permit levy is calculated based on 0.064 cents (2024: 0.064 cents) in the dollar of the cost of building work for which a building permit is sought. Building permit levy – general levy revenue is brought to account upon issue of the building permit number (i.e., at point in time).

(b) **Building permit levy - Domestic Building Dispute Resolution Victoria (DBDRV) levy**

The DBDRV building permit levy is calculated based on 0.064 cents (2024: 0.064 cents) in the dollar of the cost of building work for which a building permit is sought and funds the DBDRV functions established under the Domestic Building Contracts Act 1995. The amount disclosed represents the VBA's share of the DBDRV levy. Consumer Affairs Victoria (CAV) is also legally entitled to a portion of the levy. Building permit levy-DBDRV levy revenue is brought to account upon issue of the building permit number (i.e., at point in time).

(c) **Building-practitioner registration fees**

Yearly registration renewal fees received throughout the year are recognised as revenue on a pro-rata basis. Registration fees received relating to the subsequent year are recognised at year-end as contract liabilities (i.e., over time). From 1 May 2022 following a Ministerial Agreement, the CAV is legally entitled to a fixed amount of the Domestic building-practitioner registration fees revenue.

(d) **Building-corporate registration fees**

Yearly registration renewal fees received throughout the year are recognised as revenue on a pro-rata basis. Registration fees received relating to the subsequent year are recognised at year-end as contract liabilities (i.e., over time). From 1 May 2022 following a Ministerial Agreement, the CAV is legally entitled to a fixed amount of the Domestic building-corporate registration fees revenue.

(e) **Building-prosecutions and inquiry fines**

Prosecutions and inquiry fines represent prosecution fines and costs payable to the VBA as a result of legal action taken by the VBA against building practitioners in the Magistrates' Court of Victoria and County Court of Victoria. The amount is recognised when the fines are issued (i.e. at point in time).

(f) **Building-owner-builder certification fees**

Owner-builder certification fees received are recognised upon receipt of the application for certification (i.e. at point in time).

(g) **Building-Modifications and appeals fees (BAB services)**

Modifications and appeals fees received are recognised as revenue upon receipt (i.e. at point in time).

(h) **Building-Prescribed Professional Engineers Registration Scheme (PERS) endorsement fees**

Endorsement fees Prescribed PERS endorsement fees received are recognised as revenue upon receipt of the endorsement on its application for registration, renewal and annual registration (i.e. point in time). The fees were introduced under the Professional Engineers Registration Act 2019 and the Professional Engineers Registration (Fees) Regulations 2021, came into effect from 1 July 2021. The PERS is led by the Building Licensing Authority (BLA) and supported by the CAV and the VBA.

(i) Plumbing-compliance certificates fees

Compliance certificates fees received are recognised upon receipt of the payment for purchases of compliance certificates (i.e. at point in time).

(j) Plumbing-registration and licence fees

Plumbing registration fees are for a triennium ending three years from the date paid. Fees received are recognised as revenue on a pro-rata basis. Plumbing registration fees received relating to the subsequent years are recognised at year-end as contract liabilities (i.e. over time). Annual licence renewal fees received throughout the year are recognised as revenue on a pro-rata basis. Licence fees received relating to the subsequent year are recognised at year-end as contract liabilities (i.e. over time).

(k) Plumbing-examination fees

Plumbing examination fees are recognised as revenue upon receipt (i.e. at point in time).

(l) Plumbing-prosecutions and inquiry fines

Prosecutions and inquiry fines represent prosecution fines and costs payable to the VBA as a result of legal action taken by the VBA against plumbing practitioners in the Magistrates' Court of Victoria and County Court of Victoria. The amount is recognised when the fines are issued (i.e. at point in time).

AASB 15 Revenue from contracts with customers

Performance obligations and revenue recognition policies

The core principle of AASB 15 *Revenue from contracts with customers* (AASB 15) is, an entity recognises revenue at the point in time when control of a good or service transfers to the customer, for an amount that reflects the consideration the entity expects to be entitled in exchange for those goods when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Revenue is also recognised over time when the customer simultaneously receives and consumes the services as it is provided. For contracts that permit the customer to request for refund, the revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on historical data. For consideration received in advance of recognising the associated revenue from the customer, it is recorded as a contract liability i.e. deferred revenue.

Application of AASB 15

Levies, fees and fines are transactions that the VBA has determined to be classified as revenue from contracts with customers in accordance with AASB 15, specifically, VBA treat levies as licences not taxes and has applied the exemption under AASB 15 paragraph Aus 8.1 and Aus 8.3 to recognise the revenue at the point in time the licence is issued. The VBA's levies, fees and fines revenue are recognised as and when the enforceable rights and obligations between the VBA and applicants arise from statutory requirements even though no contractual relationship exists. The service is delivered to its customers i.e. applicants and is measured as the amount the VBA expects to be entitled to. Any fee waivers or refunds arising are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for services to be delivered in the following years, these amounts are deferred as a contract liability, refer to Note 5.2.2.

Notes to the Financial Statements

2.2.3 Grants

	(\$'000)	
	2025	2024
Grants recognised as income of not-for-profit entities		
Specific purpose grants	26,094	9,345
Total grant income	26,094	9,345

Grants recognised under AASB 1058

The VBA has determined that the grant income included in the table above under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the authority has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the VBA recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004.
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15.
- a lease liability in accordance with AASB 16 *Leases* (AASB 16).
- a financial instrument, in accordance with AASB 9 *Financial Instruments* (AASB 9).
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137).

2.2.4 Other income

	(\$'000)	
	2025	2024
Fines and regulatory fees	175	198
Other miscellaneous income	15	47
Total other income	190	245

Fines and regulatory fees are recognised as income upon receipt (i.e. at point in time).

Note 3. The cost of delivering services

This section provides an account of the expenses incurred by the VBA in delivering services. In Note 2, the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Grant expenses
- 3.3 Other operating expenses

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

(\$'000)

	Notes	2025	2024
Employee benefit expenses	3.1.1	92,117	80,929
Grants expenses	3.2	1,138	1,158
Other operating expenses	3.3	19,738	18,869
Total expenses incurred in delivery of services		112,993	100,956

3.1.1 Employee expenses in the comprehensive operating statement

(\$'000)

	2025	2024
Salaries and wages, annual leave and long service leave	75,556	65,152
Defined benefit and contribution superannuation expense	7,507	6,333
Staff-related expenses	1,026	897
Fringe benefits tax	67	76
Termination benefits	462	-
External staff (includes contractors)	7,499	8,471
Total employee costs	92,117	80,929

Employee expenses include all costs related to employment including wages and salaries, fringe benefit tax, leave entitlements, termination payments, payroll tax and WorkCover premiums. The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The defined benefit plan(s) provides benefits based on years of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. The VBA does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, VBA accounts for contributions to these plans as if they were defined contribution plans under AASB 119 *Employee Benefits* (AASB 119). The Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when VBA is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee-related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

(\$'000)

	2025	2024
Current provisions		
Annual leave	4,903	4,404
Long service leave	5,722	3,447
Provision for on-costs	2,025	1,406
Total current provisions for employee benefits	12,650	9,257
Non-current provisions		
Long service leave	2,469	2,277
On-Costs	480	417
Total non-current provisions for employee benefits	2,949	2,694
Total provisions for employee benefits	15,599	11,951

Wages and salaries, annual leave and sick leave

Liability for wages and salaries (including non-monetary benefits, annual leave and on-costs), is recognised as part of the employee benefits provision as 'current liabilities', because the VBA does not have an unconditional right to defer settlement of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the VBA expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts. The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the VBA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional long service leave is disclosed as a current liability; even where the VBA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current long service leave liability are measured at:

- undiscounted value – if the VBA expects to wholly settle within 12 months; or
- present value – if the VBA does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service leave is measured at present value. Any gain or loss following revaluation of the present value of non-current long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.2 GRANT EXPENSES

(\$'000)

	2025	2024
Specific purpose grant payments	1,138	1,158
Total grant expenses	1,138	1,158

Grant payments are contributions of the VBA's resources to another party for specific purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

3.3 OTHER OPERATING EXPENSES

(\$'000)

	2025	2024
Accommodation and utilities	800	1,463
Payment to Department of Transport and Planning to support the building policy function	1,721	1,658
Legal fees	2,226	2,103
IT services and records management expenses	5,884	4,202
Consultants	1,790	3,061
General office expenses	1,941	1,924
Printing and stationery	354	338
Motor vehicles and travel expenses	507	571
Insurance premiums	2,973	3,011
Regulatory events, seminars and meetings	154	214
Audit fees	209	248
Minor assets	407	86
Bad Debts written off	43	-
Impairment of receivables	729	(10)
Total other operating expenses	19,738	18,869

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts written off from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Impairment of receivables: Provision for impairment of contractual financial assets is recognised when there is objective evidence that the VBA will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 90 days overdue and changes in debtor credit ratings.

Note 4. Key assets available to support service delivery

The VBA controls infrastructure assets and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the VBA to be utilised for delivery of those services.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

- 4.1 Property, Plant, equipment and motor vehicles
- 4.2 Intangible assets

4.1 PROPERTY, PLANT, EQUIPMENT AND MOTOR VEHICLES

(\$'000)

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
Land at fair value	1,075	1,075	-	-	1,075	1,075
Buildings at fair value	8,442	18,031	(954)	(11,327)	7,488	6,704
Plant, equipment and motor vehicles at fair value	8,019	8,819	(2,640)	(6,414)	5,379	2,405
Assets under construction at cost	1,414	-	-	-	1,414	-
Total	18,950	27,925	(3,594)	(17,741)	15,356	10,184

Items of property, plant, equipment and motor vehicles are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The following tables are right-of-use assets included in the property, plant, equipment and motor vehicles presented by subsets of buildings and plant, equipment and motor vehicles.

4.1.1 Total right-of-use assets: Buildings and Plant, equipment and motor vehicles

(\$'000)

	Gross carrying amount	Accumulated depreciation	Net carrying amount	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2025	2025	2025	2024	2024	2024
Buildings at fair value	7,602	(870)	6,732	17,191	(11,271)	5,920
Plant, equipment and motor vehicles at fair value	3,007	(879)	2,128	2,617	(581)	2,036
Total	10,609	(1,749)	8,860	19,808	(11,852)	7,956

(\$'000)

	Buildings at fair value	Plant, equipment and motor vehicles at fair value
Opening balance – 1 July 2024	5,920	2,036
Additions	2,472	662
Disposals	-	(156)
Depreciation ^(a)	(1,660)	(414)
Closing balance – 30 June 2025	6,732	2,128

Note:

(a) The depreciation expense includes amounts relating to the Good Shed North Lease, which concluded during the financial year.

Right-of-use asset acquired by lessee - Initial measurement

The VBA recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs incurred
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located

Right-of-use asset – Subsequent measurement

The VBA depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Impairment of Buildings and Plant, equipment and motor vehicles

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement* (AASB 13), with the consequence that AASB 136 *Impairment of Assets* (AASB 136) does not apply to such assets that are regularly revalued.

Notes to the Financial Statements

4.1.2 Depreciation and amortisation

All buildings and plant, equipment and motor vehicles, and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale, cultural assets and land.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful Life
Buildings (including leased assets)	
-Building owned	40 years
-Leasehold Buildings	5 - 7 years
Plant, equipment and motor vehicles (including leased assets)	
-Motor vehicles owned	3 - 5 years
-Motor vehicles leased	3 years
-Plant and equipment	3 – 10 years
Software and intangibles	3 - 7 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the assets' useful life and the lease term. Where the VBA obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Indefinite life assets: Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

4.1.3 Reconciliation of movements in carrying amount of property, plant, equipment and motor vehicles

(\$'000)

	Land at fair value	Buildings at fair value	Plant, equipment and motor vehicles at fair value	Assets under construction at cost	Total
	2025	2025	2025	2025	2025
Balance at the beginning of the year	1,075	6,704	2,405	-	10,184
Additions	-	2,472	4,334	1,414	8,220
Disposals	-	-	(207)	-	(207)
Revaluations ^(a)	-	-	-	-	-
Depreciation	-	(1,688)	(1,153)	-	(2,841)
Balance at the end of the year	1,075	7,488	5,379	1,414	15,356

Note:

- (a) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation will be conducted for the year ending 30 June 2026. Refer to Note 7.3 for more information.

4.2 INTANGIBLE ASSETS

(\$'000)

	Computer Software 2025	Works in Progress (WIP) 2025	Total 2025
Gross carrying amount			
Opening balance	22,299	1,958	24,257
Additions	31	-	31
Transfers in/(out)	1,232	(1,232)	-
Closing balance	23,562	726	24,288
Accumulated amortisation and impairment			
Opening balance	(13,905)	-	(13,905)
Amortisation of intangible produced assets ^(a)	(2,182)	-	(2,182)
Closing balance	(16,087)	-	(16,087)
Net book value at end of financial year	7,475	726	8,201

Note:

(a) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item, where the consumption of the intangible non-produced assets is included in 'net gain/(loss) on non-financial assets' line item on the comprehensive operating statement.

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangibles* (AASB 138) is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated, including:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between three and seven years.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Significant intangible assets

The VBA has capitalised software development expenditure for the Building Activity Management System (BAMS) and the Building Practitioner Licensing and Registration System (BPLRS). As at 30 June 2025, the carrying amount for BAMS is \$0.84 million (2024: \$1.36 million) and for BPLRS is \$2.45 million (2024: \$2.96 million). Both BAMS and BPLRS have an estimated useful life of seven years and are expected to be fully amortised by 30 June 2031.

Note 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the VBA's controlled operations.

Structure

- 5.1 Other assets
- 5.2 Other liabilities
- 5.3 Other non-financial assets
- 5.4 Other provisions

5.1 OTHER ASSETS

5.1.1 Receivables

	(\$'000)	
	2025	2024
Contractual		
Other receivables	125	143
Allowance for impairment losses of contractual receivables	(7)	(64)
Statutory		
Building Practitioner Board fines and costs	1,435	481
Other receivables	33	43
GST input tax credit recoverable	980	825
Allowance for impairment losses of statutory receivables	(1,218)	(432)
Total receivables	1,348	996
Represented by		
Current receivables	1,348	996

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The VBA holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes. The VBA applies AASB 9 for initial measurement of the statutory receivables, and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Notes to the Financial Statements

5.1.2 Contract Assets

The VBA did not have any Contract Assets to recognise in 2025 (2024: nil).

5.1.3 Impairment loss

	Note	2025	2024
Impairment loss			
Impairment loss on statutory receivables	3.3	(729)	10

In accordance with Financial Reporting Direction 114 *Financial Instruments* (FRD 114), VBA applies the simplified approach, which requires the loss allowance to always be measured at an amount equal to lifetime expected credit losses for all trade receivables, lease receivables and statutory receivables.

The loss allowances for receivables are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2025 vary from 50 per cent for receivables between 90 – 180 days, 75 per cent for between 180 – 365 days, and 100 per cent for receivables that are more than 365 days past due (30 June 2024 – from 10 per cent to 100 per cent).

Impairment of financial assets

The VBA records the allowance for expected credit loss (ECL) for the relevant financial instruments applying AASB 9 Expected Credit Loss approach. The VBA's contractual receivables and statutory receivables are subject to AASB 9 impairment assessment.

Contractual Receivables at amortised cost

VBA applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about the risk of default and expected loss rates. The VBA has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the VBA's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

The VBA applies a similar simplified approach to statutory receivables as for contractual receivables, using a lifetime expected credit loss model based on shared credit risk characteristics, historical data, current conditions, and forward-looking information.

Due to their nature, statutory receivables are assessed for impairment and written off when there is no reasonable expectation of recovery. Impairment losses are recognised as transaction expenses, with any subsequent recoveries credited to the same item.

5.2 OTHER LIABILITIES

5.2.1 Payables

	(\$'000)	
	2025	2024
Contractual payables		
Supplies and services	3,375	3,336
Amounts payable to government and agencies ^(a)	11,466	11,301
Statutory payables		
Fringe Benefits Tax payable	63	65
Other taxes payable	230	198
Total payables	15,134	14,900
Represented by		
Current payables	15,134	14,900

Note:

(a) In the current year's financial statements, the Payables balance includes what was disclosed in the previous year as 'Other Liabilities'. The naming convention has also been changed for this specific line to 'Amounts Payable to government and agencies'. This change is solely for presentation purposes and does not impact the financial position, performance, or disclosures of the financial statements.

Payables consist of:

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the VBA prior to the end of the financial year that are unpaid.

Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements. As they are not legislative payables, they are not classified as financial instruments.

Notes to the Financial Statements

5.2.2 Contract liabilities

	(\$'000)	
	2025	2024
Total contractual liabilities	13,329	12,559
Represented by		
Current contract liabilities	11,497	11,088
Non-current contract liabilities	1,832	1,471

Contract liabilities are deferred revenue representing consideration received in advance from customers as follows:

Practitioner registration fees (Building & Plumbing), licence fees (Plumbing) and building permit levy

Yearly registration and licence renewal fees received throughout the year are recognised as revenue on a pro-rata basis. Plumbing registrations are recognised over a period of three years from the date paid. Practitioner registration renewal fees (both building and plumbing) and licence renewal fees (plumbing) received relating to subsequent years are recognised at year-end as contract liabilities. Building permit levy received in bank at 30 June 2025, pending to be processed in Building Activity Management System on 1 July 2025 is recognised at year-end as contract liability.

5.3 OTHER NON-FINANCIAL ASSETS

	(\$'000)	
	2025	2024
Current other assets		
Prepayments	1,886	2,223
Total current other assets	1,886	2,223

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services, or the payments made for services covering a term extending beyond the current reporting period.

5.4 OTHER PROVISIONS

(\$'000)

	2025	2024
Make-good provision	-	747
Total other provisions	-	747

Other provisions are recognised when the VBA has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

Reconciliation of movements in other provisions

(\$'000)

	Make-good	Total
Opening balance 1 July 2024	747	747
Additional provisions recognised	-	-
Amounts charged against the provision	(480)	(480)
Amounts reversed	(267)	(267)
Closing balance 30 June 2025	-	-

When some or all the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Following the completion of the Goods Shed North lease, the VBA was required to restore the leased premises, in line with its make good obligations under the lease agreement. Upon completion of the make good obligations, the remaining provision was derecognised and offset against the same expense line item in which the provision was originally recognised.

Note 6. How we financed our operations

This section provides information on the sources of finance utilised by the VBA during its operations, along with interest expenses and other information related to financing activities of the VBA.

This section includes disclosures of balances that are financial instruments (such as interest-bearing liabilities and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

- 6.1 Borrowings
- 6.2 Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure

6.1 BORROWINGS

	(\$'000)	
	2025	2024
Current borrowings		
Lease liabilities ^(a)	1,386	1,918
Total current borrowings	1,386	1,918
Non-current borrowings		
Lease liabilities ^(a)	10,700	6,240
Total non-current borrowings	10,700	6,240
Total borrowings	12,086	8,158

Note:

- (a) Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

'Borrowings' refer to interest bearing liabilities from lease liabilities.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Terms and conditions of borrowings

	Weighted average interest rate (%)	Carrying amount	Nominal amount	Maturity dates				
				Less than 1 month	1-3 months	3 months–1 year	1–5 years	5+ years
2025								
Lease liabilities ^(a)	4.47%	12,086	14,542	119	250	1,064	12,569	540
Total		12,086	14,542	119	250	1,064	12,569	540
2024								
Lease liabilities	4.85%	8,158	12,222	307	613	1,007	7,755	2,540
Total		8,158	12,222	307	613	1,007	7,755	2,540

The VBA operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Note:

(a) In 2025, VBA entered into a new lease agreement for additional office space as part of an extension option within the lease agreement entered into in 2024.

Interest expense

	(\$'000)	
	2025	2024
Interest expense on lease liabilities	466	87
Total interest expense	466	87

Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest expense is recognised in the period in which it is incurred.

6.2 LEASES

The VBA leases buildings and vehicles. The building lease contract is typically made for fixed periods of 5 years with an option to review the lease after that date. Lease payments are renegotiated every 5 years to reflect market rentals. The motor vehicles lease contracts with VicFleet are made for a fixed period of 3 years.

6.2.1 Right-of-use-assets

Right-of-use assets are presented in Note 4.1.1.

6.2.2 Recognition and measurement of leases as a lessee

For any new contracts entered into, the VBA considers whether a contract is, or contains, a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration”. To apply this definition the VBA assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the VBA and for which the supplier does not have substantive substitution rights;
- the VBA has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the VBA has the right to direct the use of the identified asset throughout the period of use; and
- the VBA has the right to take decisions in respect of ‘how and for what purpose’ the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable, or the VBA incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amount expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the comprehensive operating statement if the right of use asset is already reduced to zero.

Presentation of right-of-use assets and lease liabilities

The VBA presents right-of-use assets as “Buildings” and “Plant, equipment and motor vehicles” respectively (refer to Note 4.1.1). Lease liabilities are presented as “Borrowings” in the balance sheet (refer to Note 6.1).

Future Lease Payments

	(\$'000)	
	Minimum future lease payments ^(a)	
	2025	2024
Not longer than 1 year	1,433	1,927
Longer than 1 year but not longer than 5 years	12,569	7,755
Longer than 5 years	540	2,540
Minimum future lease payments	14,542	12,222
Less future finance charges	(2,456)	(2,125)
Present value of minimum lease payments	12,086	10,097

Note:

(a) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

Notes to the Financial Statements

6.3 CASH FLOW INFORMATION AND BALANCES

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank. The VBA's bank accounts are held in the Central Banking System (CBS) under the *Standing Directions 2018*.

The amount of cash and cash equivalents presented in the statement of cash flows is identical to the amount described in the statement of financial position.

6.4 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.4.1 Total commitments payable

(\$'000)

Nominal amounts 2025	Less than 1 year	1-5 years	5+ years	Total
Capital expenditure commitments payable	263	525	-	788
Other commitments payable	8,027	4,550	-	12,577
Total commitments (inclusive of GST)	8,290	5,075	-	13,365
Less: GST recoverable from the Australian Tax Office	(754)	(461)	-	(1,215)
Total commitments (exclusive of GST)	7,536	4,614	-	12,150

(\$'000)

Nominal amounts 2024	Less than 1 year	1-5 years	5+ years	Total
Capital expenditure commitments payable	93	186	-	279
Other commitments payable	4,426	2,160	-	6,586
Total commitments (inclusive of GST)	4,519	2,346	-	6,865
Less: GST recoverable from the Australian Tax Office	(411)	(213)	-	(624)
Total commitments (exclusive of GST)	4,108	2,133	-	6,241

Note 7. Financial instruments, contingencies and valuation judgements

The VBA is exposed to risk from its activities and external factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the VBA related mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the VBA's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation* (AASB 132).

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by the VBA to collect the contractual cash flows; and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The VBA recognised the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Derecognition of financial assets

A financial asset (or, where applicable, part of a financial asset or part of a group of similar assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the VBA retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the VBA has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the VBA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the VBA's continuing involvement in the asset.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities measured at amortised costs are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The VBA recognises the following liabilities in this category:

- Payables (excluding statutory payables);
- Borrowings (including lease liabilities); and
- Security deposits.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive Operating Statement.

7.1.1 Financial Instruments – Net gain(loss) on financial instruments by category

(\$'000)

	Carrying amount	Net gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss
2025					
Financial assets at amortised cost					
Cash and deposits	76,710	-	3,074	-	-
Receivables ^(a)	125	-	-	-	-
Total financial assets at amortised cost	76,835	-	3,074	-	-
Financial liabilities at amortised cost					
Trade payables ^(b)	14,481	-	-	-	-
Security deposits	2,676	-	-	-	-
Borrowings					
Lease liabilities	12,086	-	(466)	-	-
Total contractual financial liabilities	29,603	-	(466)	-	-

(\$'000)

	Carrying amount	Net gain/(loss)	Total interest income/(expense)	Fee income/(expense)	Impairment loss
2024					
Financial assets at amortised cost					
Cash and deposits	58,788	-	2,415	-	-
Receivables ^(a)	143	-	-	-	-
Total financial assets at amortised cost	58,931	-	2,415	-	-
Financial liabilities at amortised cost					
Trade payables ^(b)	14,637	-	-	-	-
Security deposits	2,949	-	-	-	-
Borrowings					
Lease liabilities	8,158	-	(87)	-	-
Total contractual financial liabilities	25,744	-	(87)	-	-

Notes:

- (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from statutory levies and GST input tax credit recoverable and taxes payables).
- (b) In the current year's financial statements, the Payables balance includes what was disclosed in the previous year as 'Other Liabilities'. The naming convention has also been changed for this specific line to 'Amounts Payable to government and agencies'. Please refer to Note 5.2.1 for further information. This change is solely for presentation purposes and does not impact the financial position, performance, or disclosures of the financial statements.

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There are no contingent assets for the period ending 30 June 2025 and 30 June 2024 respectively.

7.2.2 Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- present obligations that arise from past events but are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

A number of potential obligations are non-quantifiable at this time arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators
- deeds in respect of certain obligations

Quantifiable contingent liabilities

	(\$'000)	
	2025	2024
Quantifiable claims ^(a)	1,507 to 3,625	1,768 to 3,350

Note:

- (a) Quantifiable claims include those which may arise from legal proceedings and disputes. The amounts are estimates pending finalisation of cost orders.

7.3 FAIR VALUE DETERMINATION

This section sets out information on how the VBA determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- Land;
- Buildings; and
- Plant, equipment and motor vehicles.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The VBA determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General of Victoria (VGV) is the VBA's independent valuation agency. The VBA, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- valuation techniques
- details of significant assumptions used in the fair value determination

7.3.1 Fair value determination: Non-financial physical assets

Valuation techniques and significant assumptions of non-financial physical assets measured at fair value

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* (AASB 2022-10) amended AASB 13 by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. Financial Reporting Direction 103 *Non-Financial Assets* (FRD 103) permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The last scheduled full independent valuation of all the VBA's non-financial physical assets was performed by VGV in June 2021. The next scheduled full revaluation will be conducted for the year ending 30 June 2026. Annual fair value assessment for 30 June 2025 using VGV indices does not identify material changes in value.

For all assets measured at fair value, the VBA considers the current use is the highest and best use.

Notes to the Financial Statements

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. For non-specialised land and non-specialised buildings, an independent valuation was performed by the VGV to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysis, an appropriate rate per square metre has been applied to the subject asset.

The effective date of the valuation was 30 June 2021. To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are valued under the market approach.

Plant and equipment (including right-of-use assets) is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Motor Vehicles (including right-of-use assets) are valued using the current replacement cost method. The VBA acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the VBA who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Description of significant assumptions applied to fair value measurement

2024 and 2025	Valuation technique	Significant assumption	Range (weighted average) ^(a)
Non-Specialised land	Market approach	Cost per square metre	\$300 - \$650/m ² (\$550)
Non-Specialised buildings	Market approach	Cost per square metre	\$680 - \$1500/m ² (\$1,090)
Buildings – right-of-use	Current replacement cost	Over the lease term	5 - 7 years
Motor Vehicles	Current replacement cost	Useful life of vehicles	3 - 5 years
Motor Vehicles – right of use	Current replacement cost	Over the lease term	3 years
Plant and equipment	Current replacement cost	Useful life of plant and equipment	3 - 10 years

Note:

(a) Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicative and should not be directly used without consultation with entities' independent valuer.

Note 8. Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

- 8.1 Other economic flows included in net results
- 8.2 Responsible persons
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Security deposits
- 8.7 Subsequent events

8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULTS

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

(\$'000)

	2025	2024
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of plant, equipment and motor vehicles	238	191
Total net gain/(loss) on non-financial assets	238	191

8.2 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister of Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Minister

The Hon. Sonya Kilkenny MP, Minister for Planning	1 July 2024 – 18 December 2024
The Hon. Harriet Shing MP, Minister for Housing and Building	19 December 2024 – 30 June 2025

Accountable Officer

Anna Cronin, Commissioner & CEO	1 July 2024 – 30 June 2025
---------------------------------	----------------------------

Remuneration received or receivable by the Accountable Officer in connection with the management of VBA during the reporting period was in the range: \$490,000 - \$499,999 (2024: \$490,000–\$499,999).

8.3 REMUNERATION OF EXECUTIVES

The number of senior executive service members, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of senior executive service members retired, resigned or were retrenched in the past year.

(\$'000)

	Total remuneration	
	2025	2024
Total remuneration ^(a)	3,461	3,919
Total number of executives	15	13
Total annualised employee equivalents ^(b)	10	11

Notes:

- (a) The total number of Executive Officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties (Note 8.4) disclosure below.
- (b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.4 RELATED PARTIES

The VBA is a wholly owned and controlled entity of the State of Victoria.

Related parties of the VBA include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over); and
- all Cabinet Ministers and their close family members.
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

During the financial year, the VBA had transactions with other government-controlled entities and these transactions were undertaken in the ordinary course of operations.

The VBA received funding from the Department of Transport and Planning (DTP) of \$25.4 million (2024: \$4.0 million). The VBA received no funding from Department of Energy, Environment and Climate Action (DEECA) during the year (2024: 5.2 million).

The VBA is responsible for collecting the cladding rectification levy. As at 30 June 2025, \$9.1 million (2024: \$9.6 million) is payable to DTP in relation to the cladding rectification levy.

Other amounts payable to government-controlled entities include the Department of Justice and Community Safety's share of building practitioner registration fees, amounting to \$0.9 million (2024: \$0.5 million), and Consumer Affairs Victoria's share of the DBDRV levy, totalling \$1.4 million (2024: \$1.2 million).

The VBA made payments to other government-controlled entities for:

	(\$'000)	
Government-related entities	2025	2024
Cladding Safety Victoria ^(a)	71,751	105,329
Consumer Affairs Victoria ^(b)	16,375	16,734
Department of Justice and Community Safety ^(c)	5,033	5,842
Department of Energy, Environment and Climate Action	-	1,658
Department of Transport and Planning ^(d)	40,398	-
Victorian Managed Insurance Authority ^(e)	3,243	3,256
Other departments and agencies ^(e)	2,332	2,071
Total aggregate transactions	139,132	134,890

Notes:

- (a) This represents the remittance of cladding rectification levy to Cladding Safety Victoria up to January 2025.
- (b) This represents the Consumer Affairs Victoria's share of the building levy.
- (c) This represents the Department of Justice and Community Safety's share of the domestic building practitioner registration fees.
- (d) This represents the remittance of the remaining cladding rectification levy to DTP as part of the Cladding Rectification Program.
- (e) For the provision of goods and/or services.

Key management personnel (KMP) of the VBA include Responsible Persons as outlined in Note 8.2 and senior executives of the VBA as indicated below:

Andrew Cialini, State Building Surveyor	1 July 2024 – 2 August 2024
Steven Baxas, State Building Surveyor	5 August 2024 – 30 June 2025
Katrina Excell, Chief Corporate Services Officer and Chief Finance Officer	1 July 2024 – 30 June 2025
Todd Bentley, Chief Strategy and Risk Officer	1 July 2024 – 30 June 2025
John Sullivan, Chief Governance Officer	1 July 2024 – 30 June 2025
Ann King, Chief Operations Officer	1 July 2024 – 8 May 2025
David Brockman, Executive Director, Compliance and Enforcement	31 March 2025 – 30 June 2025
Marg Burge, Chief People Officer	1 July 2024 – 30 June 2025
David Black, Executive Director Digital	1 July 2024 – 21 February 2025
Mark Kealy, Executive Director Change and Reform	1 July 2024 – 30 June 2025
Nicole Swift, Executive Director Communications and Media	1 July 2024 – 30 June 2025
Brendan Reilly, Acting General Counsel	1 July 2024 – 12 July 2024
Robert Chappell, Acting General Counsel	15 July 2024 – 14 January 2025
Jodi Ongley, General Counsel	15 January 2025 – 30 June 2025
Deepti Kasturi, Acting Executive Director Digital	15 July 2024 – 13 September 2024 24 February 2025 – 30 June 2025

Notes to the Financial Statements

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the State's Annual Financial Report.

(\$'000)

Compensation of KMP	2025	2024
Total ^(a)	3,951	4,670

Note:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.3)

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

Outside of normal citizen type transactions with the Victorian Building Authority, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.5 REMUNERATION OF AUDITORS

(\$'000)

	2025	2024
Victorian Auditor-General's Office		
Audit of the financial statements	65	62
Total remuneration of auditors	65	62

8.6 SECURITY DEPOSITS

(\$'000)

	2025	2024
Security deposits	2,676	2,949
Total security deposits	2,676	2,949

Under section 22 of the *Building Act 1993* and regulation 48 of the *Building Regulations 2018*, the relevant building surveyor may issue a building permit with a condition that a bond or guarantee be deposited to be held by the VBA until building works are completed. Payments are recognised as a liability at the time the deposit is received by the VBA. The liability is measured at carrying value.

8.7 SUBSEQUENT EVENTS

The Victorian Parliament passed the Building Legislation Amendment (Buyer Protections) Bill 2025, gazetted on 24 June 2025. Under this reform, the Building and Plumbing Commission (BPC) has been established effective 1 July 2025, as Victoria's new regulator for the building and plumbing sectors. While the legal entity will remain as the VBA, it will trade as the BPC, consolidating the functions of the VBA, Domestic Building Dispute Resolution Victoria (DBDRV), and the domestic building insurance responsibilities of the Victorian Managed Insurance Authority (VMIA).

For the first time, regulation, dispute resolution, and domestic building insurance are integrated within a single agency. This consolidation aims to enhance regulatory oversight across the consumer journey and strengthen protections within the building system.

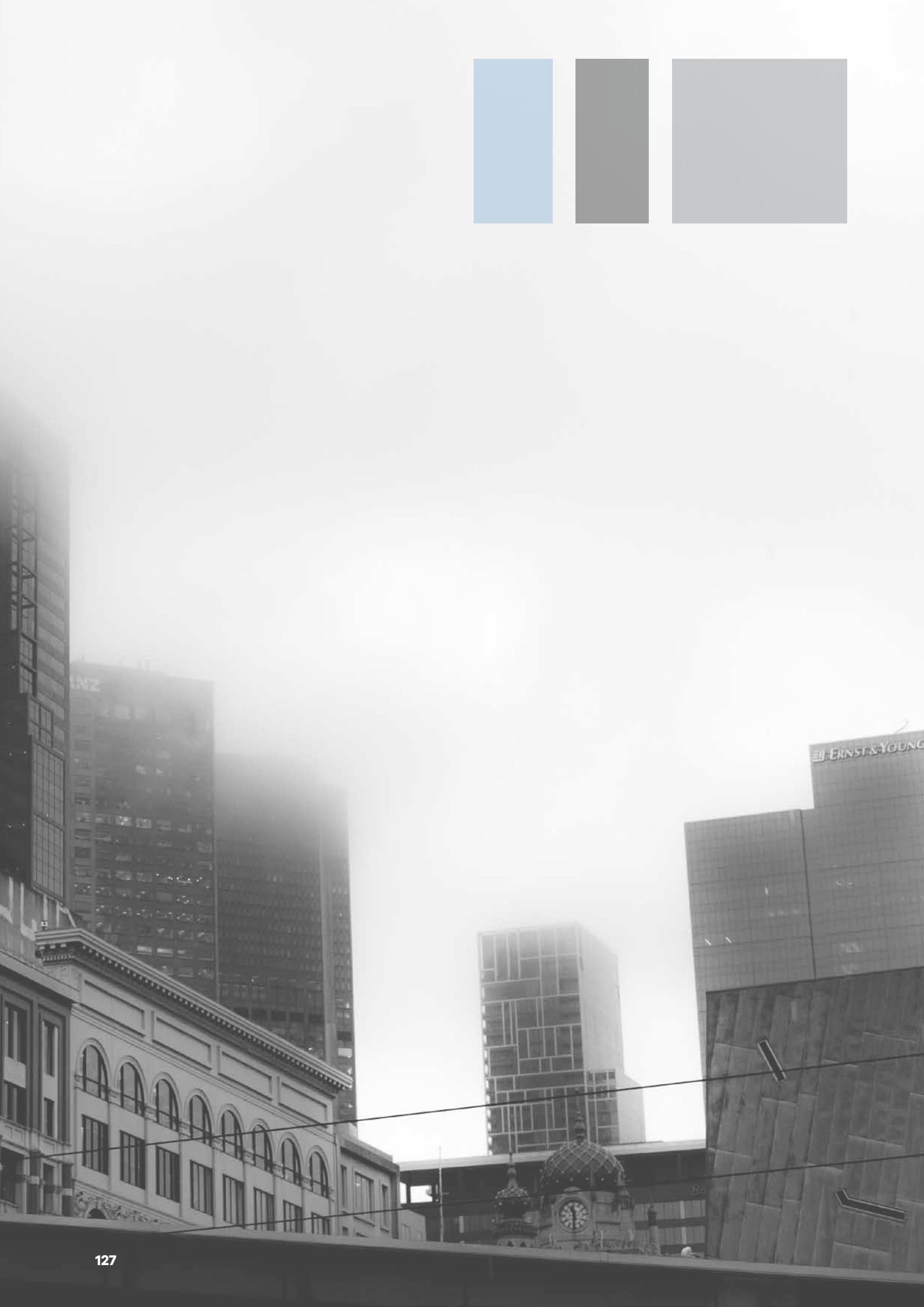
The estimated financial impact of the integration is still being finalised.

The VMIA will be transferring an estimated \$795 million in assets and \$695 million in liabilities. On 1 July 2025, the BPC received an initial cash transfer of \$754 million from VMIA, with the remaining amount to be transferred still subject to finalisation.

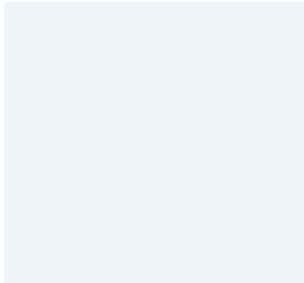
In relation to DBDRV, a cash transfer of \$1.6 million is expected to cover employee-related provisions. At the date of this report, no funds have been received, as the transfer remains subject to finalisation.

Appendices



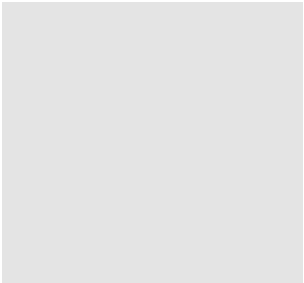


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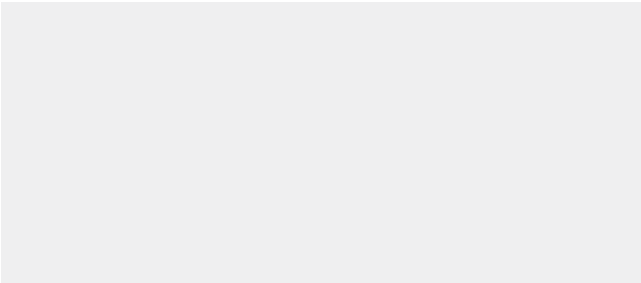
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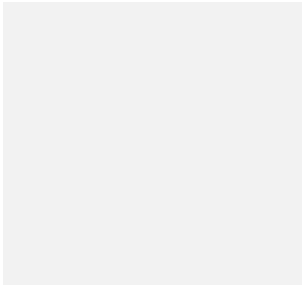
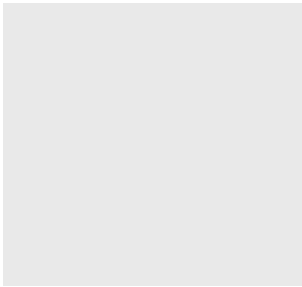
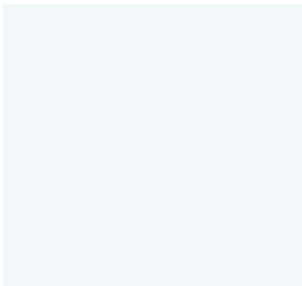
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People Data



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Glossary



Appendix A – Disclosure index

The VBA Annual Report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the VBA's compliance with statutory disclosure requirements.

Page references for the corresponding disclosure requirements are listed below.

Legislation	Requirement	Page reference
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and relevant Ministers	10
FRD 22	Purpose, functions, powers and duties	8-10
FRD 22	Key initiatives and projects	6-65
FRD 22	Nature and range of services provided	10
Management and structure		
FRD 22	Organisational structure	68
Financial and other information		
FRD 10	Disclosure index	129
FRD 12	Disclosure of major contracts	74
FRD 15	Executive officer disclosures	135-136
FRD 22	Employment and conduct principles	132
FRD 22	Occupational health and safety policy	50
FRD 22	Summary of the financial results of the year	16-17
FRD 22	Significant changes in financial position during the year	18
FRD 22	Major changes or factors affecting performance	18
FRD 22	Subsequent events	125
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	64-65
FRD 22	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	79
FRD 22	Statement on National Competition Policy	79
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	80
FRD 22	Details of consultancies over \$10,000	74
FRD 22	Details of consultancies under \$10,000	74
FRD 22	Disclosure of government advertising expenditure	74
FRD 22	Disclosure of ICT expenditure	75
FRD 22	Disclosure of emergency procurement	74
FRD 22	Disclosure of reviews and studies	54-58
FRD 24	Reporting of office-based environmental impacts	76-78
FRD 25	Local Jobs First	74
FRD 29	Workforce data disclosures	130-134
SD 5.2	Specific requirements under Standing Direction 5.2	2
Compliance attestation and declaration		
SD 5.1.4	Attestation of compliance with Ministerial Standing Direction	2
SD 5.2.3	Declaration in report of operations	2
Financial statements declaration		
SD 5.2.2	Declaration in financial statements	83
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	91-92
SD 5.2.1(a)	Compliance with Standing Directions	2
SD 5.2.1 (b)	Compliance with Model Financial Report	2
Other disclosures as required by FRDs in notes to the financial statements		
FRD 11	Disclosure of ex gratia expenses	N/A
FRD 21	Disclosure of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	121-124
FRD 103	Non-financial physical assets	100, 119-120
FRD 110	Cash flow statements	89
FRD 112	Defined benefit superannuation obligations	97
FRD 114	Financial instruments – general government entities and public non-financial corporations	115-117

Note: References to FRDs have been removed from the Disclosure index if the specific FRDs do not contain requirements that are in the nature of disclosure.

Appendix B – People data

Table 18: Performance against occupational health and safety management measures

Measure	Key performance indicator	2024-25	2023-24
Incidents and injuries¹⁸	Number of incidents	71	73
	Incident rate per 100 FTE (%)	13.9	14.7
	Number of incidents requiring first aid and/or further medical treatment	6	6
	Number of injuries ¹⁹	5	31
	Injury rate per 100 FTE (%)	1	6.2
	Total recordable injury frequency rate (TRIFR)	11.5	3.72
	Medical treated injury frequency rate (MTIFR)	5.8	1.9
	Lost time injury frequency rate (LTIFR)	5.8	1.9
Claims	Number of standard claims ²⁰	6	4
	Rate per 100 FTE (%)	1.2	0.8
	Number of lost time claims	3	2
	Rate per 100 FTE (%)	0.6	0.4
	Number of claims exceeding 13 weeks	1	3
	Rate per 100 FTE (%)	0.2	0.6
Fatalities	Fatality claims	0	0
Claim costs	Average cost per standard claim (\$)	\$5,759	\$16,134
Return to work (RTW)	Percentage of claims with RTW plan <30 days	0	0
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent)	Evidence in place	Evidence in place
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Evidence in place	Evidence in place

18: Data sourced from the VBA's WorkCover insurer, Allianz, on behalf of the Victorian WorkCover Authority and refers to accepted claims only.

19: Incidents are mostly non-work related.

20: Incidents and injuries include all recordable work-related incidents and near misses, reported by VBA employees and contractors.

Table 18: Performance against occupational health and safety management measures (continued)

Measure	Key performance indicator	2024-25	2023-24
Consultation and participation	Evidence of agreed structure of:		
	designated workgroups (DWGs)	Evidence in place	Evidence in place
	health and safety representatives (HSRs)	Evidence in place	Evidence in place
	issue resolution procedures (IRPs)	Evidence in place	Evidence in place
	Compliance with agreed structure on DWGs, HSRs, and IRPs	Evidence in place	Evidence in place
	Number of OHS Committee meetings	6	6
Risk management	Percentage of internal audits/inspections conducted as planned (%)	100	100
	Percentage of reported incidents investigated (%)	100	100
	Number of improvement notices issued across the VBA by WorkSafe Inspector	0	1
	Percentage of issues identified and actioned arising from:		
	internal audits (%)	n/a ²¹	100
	HSR provisional improvement notices (PINs) (%)	n/a ²²	100
	WorkSafe notices (%)	n/a	100
Training	Percentage of managers and staff that have received OHS training:		
	induction (%)	100	100
	management training (%)	100	100
	Percentage of HSRs trained:		
	upon acceptance of role (initial training) (%)	0 ²³	100
	retraining (annual refresher) (%)	0	0

21: One audit conducted as planned, however it remained ongoing as at 30 June 2025.

22: Zero received.

23: New HSRs appointed in March 2025 who are yet to undertake their initial training as at 30 June 2025.

Appendices

Public sector values, employment and conduct principles

The VBA is committed to applying merit and equity principles when appointing staff. Our selection processes ensure applicants are assessed and evaluated fairly and equitably based on the key selection criteria and accountabilities without discrimination.

The VBA's integrity framework requires our staff act with the highest standards of probity to ensure that positive consumer outcomes are the focus of what we do. The VBA's Integrity Unit supports this full suite of policy and procedure documents with regular webinars, learning modules and resource materials. All employees and executives receive an introduction to the framework on appointment and complete annual refresher modules accompanied by a formal attestation that they understand and comply with their integrity obligations.

All employees can obtain advice regarding the framework and their obligations from the Integrity Unit.

Compliance with the integrity framework is monitored by reviewing declarations of private interests, conflicts of interest and offers of gifts and hospitality. Data analysis is used to identify possible conflicts of interest for follow up, while a confidential reporting facility is available for staff who become aware of an integrity breach. Each year all employees and executives must attest that they have reported any breaches they are aware of.

In 2024-25, the Audit and Risk Committee and the Executive Leadership Team oversaw the operation of the Conflict of Interest and the Gifts, Benefits and Hospitality policies.

Workforce inclusion

The VBA fosters an inclusive culture where equal opportunity and diversity are valued. As of 30 June 2025, 46.9 per cent of the VBA identified as women, 52.3 per cent identified as men and 0.8 per cent self-described. The VBA Executive Leadership Team was comprised of 53 per cent women and 47 per cent men.

The VBA promotes and supports flexible working arrangements. During the financial year, 14 employees purchased leave, and 37 (7.2 per cent) employees (ongoing and fixed term) worked part time across all grades (VPS 2 to 7).

Table 19: Details of employment levels in June 2025

The following table discloses the headcount and FTE of ongoing, fixed term and casual employees of the VBA employed as at 30 June 2025.

		All employees ²⁴		Ongoing ²⁵			Fixed-term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender							
	Women	239	230.98	178	24	195.47	37	35.51
	Men	267	264.67	229	8	235.04	30	29.63
	Self-described	4	4	4	0	4	0	0
	Age							
	15–24	8	7.6	7	1	7.6	0	0
	25–34	77	75.2	71	5	74.2	1	1
	35–44	170	166.1	155	15	166.51	0	0
	45–54	131	129.14	124	7	129.14	0	0
	55–64	96	95.2	93	2	94.2	1	1
65+	28	26	20	7	25	1	1	
Classification data	VPS 1–6 grades							
	VPS 1	0	0	0	0	0	0	0
	VPS 2	76	73.37	55	6	58.66	15	14.71
	VPS 3	53	51.2	42	4	45	7	6.2
	VPS 4	54	53	45	3	47	6	6
	VPS 5	193	190.49	174	12	183.49	7	7
	VPS 6	86	83.75	65	6	69.52	15	14.23
	Senior employees							
	Senior Technical Specialists (STS)	31	30.84	30	1	30.84	0	0
	Executives	17	17	0	0	0	17	17
Total employees	510	499.65	411	32	434.51	67	65.14	

24: This table excludes people engaged as contractors.

25: Ongoing employees include people engaged on an open-ended contract of employment, and executives engaged on a standard executive contract who were active in the last full pay period of June each year.

Table 20: Details of employment levels in June 2024

The following table discloses the headcount and FTE of ongoing, fixed term and casual employees of the VBA employed as at 30 June 2024.

		All employees ²⁶		Ongoing ²⁷			Fixed-term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender							
	Women	232	221.3	172	24	188.6	36	32.7
	Men	271	266.8	227	8	231.3	36	35.4
	Self-described	3	3	3	-	3	-	-
	Age							
	15–24	6	5.5	4	1	4.5	1	1.0
	25–34	79	76.8	62	2	63.0	15	13.8
	35–44	167	162.2	136	15	146.8	16	15.4
	45–54	124	119.7	101	8	105.70	15	14.0
	55–64	104	103.0	83	2	84.3	19	18.7
65+	26	23.9	16	4	18.6	6	5.2	
Classification data	VPS 1–6 grades							
	VPS 1	-	-	-	-	-	-	-
	VPS 2	82	77.6	58	8	62.9	16	14.7
	VPS 3	61	59.0	49	4	51.6	8	7.4
	VPS 4	53	51.8	45	3	46.8	5	5.0
	VPS 5	188	184.0	164	11	171.2	13	12.8
	VPS 6	75	72.0	59	5	62.8	11	9.2
	Senior employees							
	Senior Technical Specialists (STS)	32	31.7	27	1	27.7	4	4.0
	Executives	15	15	-	-	-	15	15.0
Total employees	506	491.1	402	32	423.0	72	68.1	

26: Ongoing employees include people engaged on an open-ended contract of employment, and executives engaged on a standard executive contract who were active in the last full pay period of June each year.

27: This table excludes people engaged as contractors.

Table 21: Annualised total salary for executives and other senior non-executive staff (30 June 2025)

The following table discloses the annualised total salary for senior employees of the VBA, categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band	Executives (TRP)	STS (base salary plus super)
< \$160,000		
\$160,000-\$179,999		1
\$180,000-\$199,999		6
\$200,000-\$219,999		18
\$220,000-\$239,999	1	4
\$240,000-\$259,999	1	2
\$260,000-\$279,999	2	
\$280,000-\$299,999	5	
\$300,000-\$319,999	1	
\$320,000-\$339,999	2	
\$340,000-\$359,999	1	
\$360,000-\$379,999		
\$380,000-\$399,999		
\$400,000-\$419,999	2	
\$420,000-\$439,999		
\$440,000-\$500,000	2	
Total	17	31

Table 22: Executive profile²⁸

	2024-25		2023-24	
	Men	Women	Men	Women
CEO	-	1	-	1
Executive officers	8	8	9	5
Total	8	9	9	6

Table 23: Reconciliation of executive numbers

	2024-25	2023-24
Executives with total remuneration over \$100,000	16	14
Vacancies	-	2
Executives with total remuneration below \$100,000	-	-
Accountable officer (CEO)	1	1
Total	17	17

28: All figures show employment levels at the last full pay period in June 2025 and the corresponding period in 2023-24.

Appendix C – Glossary

Australian Building Codes Board (ABCB)

The ABCB addresses issues relating to safety, health, amenity and sustainability in the design and performance of buildings through the National Construction Code (NCC) (see below) and the development of effective regulatory systems and appropriate non-regulatory solutions, including product certification systems. The Building Ministers' Forum (see below) appoints the Chair and industry Board members.

Authorised Nominating Authorities (ANAs)

ANAs are authorised by the VBA to manage the adjudication process under the SoP Act. The VBA oversees ANA activities and performance. The functions of an ANA include nominating adjudicators for the purposes of the SOP Act, receiving and referring adjudication applications to adjudicators and reporting to and providing information to the VBA.

Building Act 1993

Governs building and plumbing activity in Victoria and sets out the legislative framework for the regulation of building construction, building standards and the maintenance of specific building safety features.

Building Activity Management System (BAMS)

The VBA's online portal for collecting levy and building permit data.

Building and Construction Industry Security of Payment Act 2002 (SoP Act)

The SoP Act provides mechanisms for subcontractors to be paid for work undertaken or for the supply of related goods and services. The VBA is responsible for administering the SoP Act and monitors the operation of the SoP Act.

Building Code of Australia (BCA)

The BCA comprises Volumes One and Two of the NCC and prescribes the technical provisions for the design and construction of buildings and other structures.

Building practitioner

They include building surveyors, building inspectors, quantity surveyors, engineers engaged in the building industry, draftspersons (building design – architectural, interior, services), commercial builders, domestic builders, demolishers, and erector or supervisor (temporary structures – Class 1 and 2).

Building Regulations 2018

The *Building Regulations 2018* (the Regulations) came into effect on 2 June 2018. The Regulations are a subordinate legislation of the Act and contain, among other things, requirements relating to building permits, building inspections, occupancy permits, enforcement, and maintenance of buildings. The Regulations adopt the BCA, which is part of the National Construction Code.

Certificate of accreditation

A certificate issued by a state or territory accreditation authority stating that the properties and performance of a building material or method of construction or design fulfil specific requirements of the BCA.

Cladding Safety Victoria (CSV)

A Victorian Government entity set up in 2019–20 as a business unit within the VBA to support and guide owners and occupants of buildings with combustible cladding, particularly where rectification work is required to reduce risks to an acceptable level.

Code of Conduct for Building Surveyors

Following extensive public and industry consultation, the VBA developed a Code of Conduct to establish principles and rules for professional conduct of building surveyors across Victoria.

Compliance

Achievement of stated performance or prescriptive criteria in a regulation or other statutory requirement, usually signified by a compliance or approval certificate.

Cooperative research centres (CRCs)

Key bodies for Australian scientific research which emphasise collaborative arrangements to maximise the benefits of research through an enhanced process of utilisation, commercialisation and technology transfer.

Appendices

Freedom of Information (FOI)

Documents held by the VBA, including those provided to us by third parties, may be accessed by the public in certain circumstances. The *Freedom of Information Act 1982* sets out the process by which the public can gain access to, and the VBA can disclose, documents.

Internal review

The process which gives an 'affected person' the right to seek review of a 'reviewable decision' - such as building registration and disciplinary decisions - made by the VBA under the Act. Internal review is only available to a person who is directly affected by the decision.

Municipal Building Surveyor (MBS)

Someone appointed, employed or nominated by a council to issue building permits, carry out inspections of buildings and building work and issue occupancy permits and temporary approvals. National Construction Code (NCC) Published by the ABCB, the NCC comprises the BCA (Volumes One and Two), the Plumbing Code of Australia (PCA) (Volume Three) and other onsite construction requirements as directed by the Building Ministers' Forum.

Natural persons

Human beings, as distinct from artificial persons or corporations recognised by law (such as companies).

Non-compliance

Failure to achieve the performance or prescriptive criteria demanded by a regulation or other statutory requirement which may lead to non-approval of a project or item and, in extreme cases, to demolition.

Occupational health and safety (OHS) OHS is concerned with the safety, health and welfare of people while at work. Also commonly referred to as health and safety, workplace health and safety, occupational health or occupational safety.

Owners corporation

An organisation that manages the common property of a residential, commercial, retail, industrial or mixed-use property development. Formerly known as a body corporate.

Plumbing inquiries

Disciplinary proceedings into the conduct of plumbing practitioners commenced by the VBA and heard before a panel. Plumbing practitioner A person registered or licensed to carry out at least one class or type of plumbing work.

Plumbing Regulations 2018

The *Plumbing Regulations 2018* commenced on 18 November 2018, replacing the *Plumbing Regulations 2008*. The Regulations cover the following aspects of plumbing work in Victoria: define the scope of work for all classes of plumbing work and specialised plumbing work, set out the qualification and experience eligibility requirements for registration and licensing in each class of plumbing work and specialised plumbing work, set fees payable for registration and licensing applications and the price of a compliance certificate, and set out additional technical requirements with which work performed in specified classes of plumbing must comply, including some variations from the requirements in the PCA.

Private building surveyor

Private building surveyor means a building surveyor registered under Part 11 other than a municipal building surveyor, an officer or employee of the Crown or a public authority or a building surveyor authorised under section 191, 192 or 221 - in his or her capacity as such a municipal building surveyor, officer, employee or authorised building surveyor.

Proactive Inspections Program (PIP)

An early intervention initiative that identifies and reduces noncompliant building and plumbing work in Victoria.

Procurement

The process of finding and agreeing to terms and acquiring goods, services or works from an external source, often via a tendering or competitive bidding process.

Ream

500 sheets of A4 paper.

Research

With a statutory function to conduct or promote research relevant to the regulation of the building and plumbing industries, the VBA's research program helps us better understand major regulatory issues and consumer needs, and how regulatory interventions can be shaped to improve public safety and amenity in the industry.

Relevant Building Surveyor

In relation to an application to, or permit, approval, inspection, direction, notice or order issued or given by, a municipal building surveyor, means the municipal building surveyor:

- in relation to an application to, or permit, approval, inspection, direction, notice or order issued or given by, a private building surveyor, means the private building surveyor.
- in relation to the carrying out by the Authority of the functions of a municipal building surveyor or a function specified in section 205P, means the Authority.
- in relation to the carrying out by a building surveyor authorised under section 191, 192 or 221 of the functions of a municipal building surveyor, means the authorised building surveyor.

Show cause

The process through which the VBA holds to account the performance of building practitioners, protects consumers from building malpractice and makes sure building practitioners comply with relevant legislation. The show cause process initiates disciplinary action against registered practitioners. Breaches of legislation by people other than registered practitioners are dealt with by criminal prosecution.

State Building Surveyor

An authoritative industry leader for building surveyors and building practitioners across Victoria. The role supports the industry change required to ensure buildings are consistently well-built, safe and fit-for-purpose.

Statewide Cladding Audit (SCA)

A thorough Victoria-wide examination – established by the Victorian Government and carried out by the VBA – to identify and audit buildings with combustible cladding. As of 30 June 2024, the VBA has concluded its role in the SCA, with responsibility for the completion of the audit transferred to CSV and Councils.

Temporary structure

A booth, tent, marquee or other temporary enclosure – whether or not a part of the booth, tent, marquee or enclosure is permanent – or a seating structure, whether or not enclosed, including a mobile seating structure.



THE PRISONER WHO BEGAN TALKING ABOUT
HARRY POTTER
AND THE CURSED CHILD

WYATT

An aerial, black and white photograph of Melbourne, Australia, showing a dense urban landscape. In the foreground, there's a large construction site with several tall cranes. To the left, a prominent Gothic-style church with a tall spire is visible. The middle ground is filled with various commercial buildings, some with ornate facades. In the background, modern high-rise skyscrapers rise against the sky. The overall scene depicts a city in the midst of significant development and renovation.

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