

Corporate Governance Manual

21 August 2003

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Context

Purpose

The Building Practitioners Board (Board) seeks to establish through corporate governance those structures and processes relating to decision-making and accountability, which control its behaviour and enhance its effective performance in fulfilling its mandate. See *Code of Conduct (4.1)* for further details.

This Manual has been developed to articulate an understanding of the statutory responsibilities and the functions of the Board.

Building Commission

The Building Commission (Commission) is the regulator of the Victorian building industry and provides whole of government building advice to the Minister for Planning. It also provides a range of services to building practitioners and consumers in order to improve the quality of building, increase consumer satisfaction with building services and raise the profile of industry.

The Commission was established in 1994 and has played a key role in the reform of building control in Victoria, initiated by the *Building Act 1993*. The Act introduced major changes in responsibilities and structural financing, and particularly the introduction of a compulsory registration and insurance requirements for builders and other building practitioners.

The Commission's functions are to:

- review the administration and efficiency of the *Building Act 1993* and the *Building Regulations 1994*
- advise the Minister for Planning
- seek the views of the building industry, consumers and the community
- promote better building standards both nationally and internationally
- liaise with organisations established to promote national building standards
- conduct or promote research into matters relating to regulation
- monitor the system of levy collection
- provides information and training to enable building practitioners to carry out their functions under the *Building Act 1993*.

Four statutory bodies sit within the structure of the Commission:

- Building Practitioners Board
- Building Appeals Board
- Building Advisory Council
- Building Regulations Advisory Committee.

These statutory bodies provide an independent control function while developing a more consultative and strategic relationship with the Commission and industry.

The Commission structure consists of seven divisions and has five core values. See *Organisation Structure Overview – Building Commission (6.3)*. The Commission's Practitioner Services Division provides support to the Board. See *Organisation Chart – Building Commission (6.2)* and *Organisation Chart – Practitioner Services (6.4)*.

The Commission operates under a Quality Assured System and is ISO 9000 compliant. As part of this compliance internal and external auditors audit all procedures, documents and policies on a regular basis.

Building Practitioners Board

The Board was established under section 183(1) of the *Building Act 1993*.

The functions of the Board under the Act are to:

- administer a registration system for building practitioners
- supervise and monitor the conduct and ability to practise of registered building practitioners
- make recommendations to the Minister about qualifications for registration
- carry out any other function conferred by this Act or regulations.

The Board carries out these functions in accordance with various provisions of the Act.

The contribution of members is considerable and central to the function of the Board. The operations of the Board are also important for the building industry, which relies on an effective and efficient registration system. This system delivers a number of key benefits including:

- consumer protection
- building quality
- maintenance of minimum standards for building practitioners
- protection of public safety and amenity.

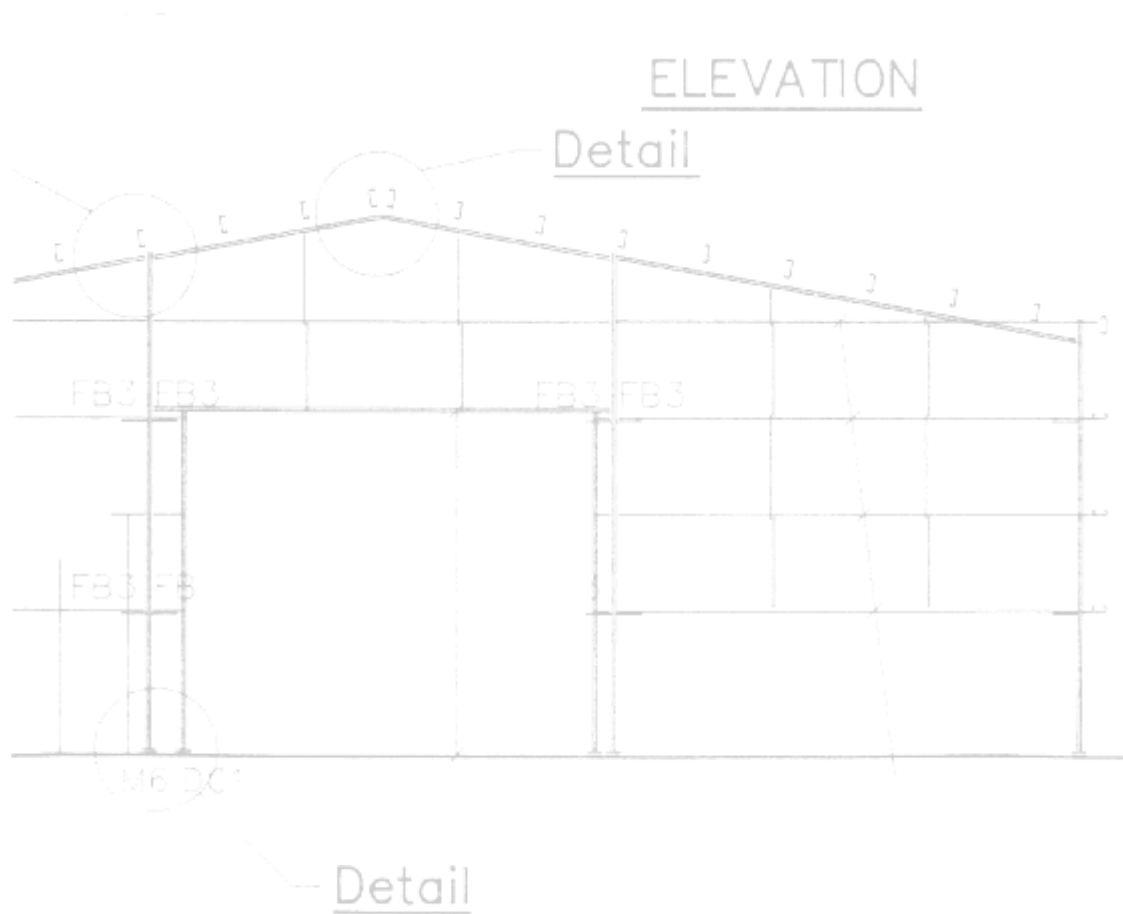
In 2001, the Board, supported by the Commission, identified a number of key projects that focussed on strategies for the continual improvement and education of the building industry and its practitioners. The Commission and the Board work together in the realisation of these initiatives See *BPB Business Plan (3)*.

In addition to its compliance with the *Building Act 1993* and *Building Regulations 1994*, members and the Commission are required to act in accordance with other legislation such as the *Mutual Recognition Act 1993*, *Whistleblowers Protections Act 2001*, *Privacy Act 2001* and the *Freedom of Information Act 1982*.

The requirement for the Board to comply with such legislation is covered in the Commission's policy *Managing Diversity and Equity (4.8)* and the *Code of Conduct*. Copies of legislation can be obtained from www.dms.dpc.vic.gov.au

Decisions made by the Board are appealable to the Building Appeals Board. For information on this Board please visit the Commission's website www.buildingcommission.com.au.

Roles and responsibilities of the Board



Roles and responsibilities of the Board

Core functions

The core business of the Board is to administer a registration system for building practitioners in Victoria and to supervise and monitor their conduct and ability to practise. On lodging an application for registration, an applicant is assessed against identified competency and criteria to ensure they possess the skills, abilities and experience required to an appropriate standard. The Board seeks to maintain standards within the industry and is empowered to conduct inquiries into practitioners who allegedly do not uphold these standards.

In meeting these functions the Board acknowledges the cultural diversity of the industry and as such has a policy to assist persons of a non-English speaking background. See *Use of Interpreter's Policy (4.5)*.

Registration

In 2003 there were approximately 20,000 registrations in the following categories:

- Building Surveyor
- Building Inspector
- Quantity Surveyor
- Engineer
- Draftsperson
- Builder (Commercial, Demolition and Domestic)
- Erector or Supervisor (Temporary Structures).

Applicants seeking registration are registered under the provisions of Section 169 of the Act, which requires a building practitioner to provide proof of insurance or in the case of Domestic Builders, eligibility for insurance. Some practitioners may also be registered by transfer from the Housing Guarantee Fund Ltd or by lodging an application via mutual recognition (for those registered in another state or territory or New Zealand). See *Application for Registration Procedures (5.1)* and *Registration Policy (4.10)*.

All applicants are assessed against the prescribed qualifications specified in the *Building Regulations* and a set of competencies designed to determine the suitability or otherwise of an applicant seeking registration. See *Application Process Flowchart (5.2)*. Domestic builders are assessed in accordance with the *Domestic Builder Competency Assessors Manual*.

Applications for registration are assessed by the member representing that category of registration, or in the case of domestic builders, assessors are engaged by the Commission to perform this function and make recommendation to the appropriate Board member. The assessors also operate in accordance with a Code of Conduct.

In most cases a practitioner's registration is renewed on an annual basis. See *Renewal of Registration & Reinstatement S172 Procedures (5.7)*.

A person, corporation or partnership may lodge an application for exemption from the offence provisions under section 176 of the Act, if a Director or Partner of that corporation or partnership is not registered and unable to be registered in the appropriate category. A panel of the Board would consider this matter. See *Exemptions under Section 176(5)(b) of the Building Act 1993 (4.9)*.

Suspensions

The Board has the power to suspend a practitioner's registration for a variety of reasons. These include failure to renew registration, as a result of an inquiry, failure to comply with a direction of an insurer and failure to be covered by the required insurance.

Suspension of a practitioner's registration is undertaken in accordance with the provisions of the Act and is done so in the issue of public interest, consumer protection and/or for the maintaining of standards within the building industry. See *Suspension of registration procedures* [\(5.6\)](#).

Revocation of suspension

Under the Act the Board may revoke the suspension of practitioner when evidence or proof of insurance and the annual registration fee is supplied. If a practitioner's registration has been suspended for more than 3 years however, an application for the revocation of suspension is required to be lodged, as different requirements must be met prior to the revocation occurring. See *Application for registration Procedures*.

Inquiries

Pursuant to sections 179 & 180 of the Act the Board may hold an inquiry into the conduct or ability to practice of a registered building practitioner following a formal request on its own initiative, on the recommendation of a person appointed under section 177 of the Act, on a referral by the Commission, Victorian Civil and Administrative Tribunal, an insurer or at the request of any other person. See *Inquiries Manual*.

All inquiries are disciplinary hearings and are governed by the rules of Natural Justice. It is the Board's policy to conduct a preliminary conference prior to the setting of an Inquiry date to ensure the practitioner understands the allegations and has time to prepare for an inquiry. See *Preliminary Conference Checklist* and *Preliminary Conference Policy* [\(4.7\)](#). An inquiry can proceed by way of a written submission or oral inquiry.

Inquiries are conducted by a panel of three, consisting of either members of the Board and/or a member or members co-opted to assist in performing this function. For each panel, one person must be a registered practitioner in the category in which the subject of the inquiry is registered. If the chairperson of the Board is a member of the Panel then he/she must Chair the inquiry. See *Sitting in Panels Policy* [\(4.6\)](#) and *Inquiry Procedures* [\(5.8\)](#).

The Board may make any one or more of the following decisions:

- reprimand
- costs
- fine (up to 50 penalty points)
- suspension of registration
- cancellation of registration.

If a person lodges an appeal with the Building Appeals Board against an inquiry decision the chairperson of the panel may be required to attend that appeal.

The procedure for inquiries is contained in the *Inquiries manual* and *Inquiry Checklist*.

Appeals

Under section 143 of the Act a person to whom a decision of the Board under Division 1 or 2 of Part 11 (registration) applies or who has been the subject of an inquiry decision may appeal that decision of the Board. In addition, if the Board fails to either hold an inquiry or hold an inquiry within a reasonable time then the person requesting that inquiry may lodge an appeal. See Appeals Procedure [\(5.3\)](#), *Appeal Process – Applications* [\(5.4\)](#), *Appeal Process – Inquiries* [\(5.5\)](#).

The Commission may also appeal a decision of the Board against the failure of the Board to hold an inquiry within a reasonable time, a refusal of the Board to hold an inquiry or a decision of the Board on an inquiry into a matter so referred by it.

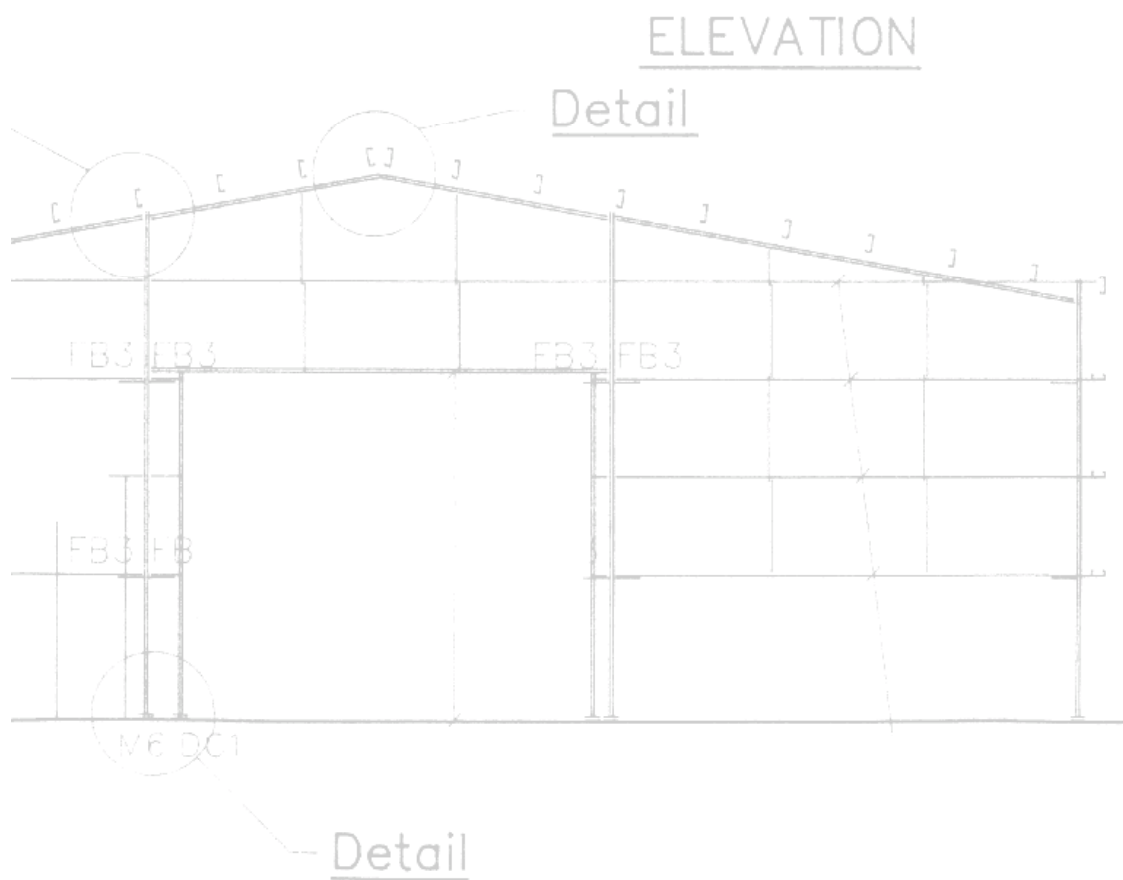
The body to whom applications for appeals is made is the Building Appeals Board.

The Board can appeal a decision of the Building Appeals Board to the Supreme Court.

The period in which an appeal may be made is 60 days.

In an appeal against an inquiry decision the chairperson of the panel may attend, or in the case of an appeal against an application for registration the Board member and/or the Domestic Builder Assessor must attend that appeal.

Membership, policies and procedures



Membership, policies and procedures

Membership

The Board's membership is defined under section 184 of the Act. It comprises of ten members and a chairperson appointed by the Governor-in-Council on the recommendation of the Minister for Planning. A member is appointed for each category of registered building practitioner, or in the case of the category of builder, two are appointed, as representatives of industry, in addition to a legal representative and a consumer representative.

The categories of building practitioner that are represented on the Board are:

- Building Surveyor
- Building Inspector
- Quantity Surveyor
- Engineer
- Draftsperson
- Builder
- Erector or Supervisor (Temporary Structures).

Members are appointed to represent their category of registration or in the case of consumer and legal representatives they represent that particular area or discipline. Members are not representatives of the respective nominating association.

Appointment

Each member is selected by the Minister from a list of three names submitted by the professional association that in the Minister's opinion represents each category of practitioner. The Minister independently nominates the chairperson. All members are appointed in accordance with the *Guidelines for the Appointment and Remuneration of Part-time Non-Executive Directors of State Government Boards and Members of Statutory Bodies and Advisory Committees* (2001) and follow the *Code of Conduct* developed by the Commission.

Prior to being considered as a nominee to the Board, persons should undertake their own enquiries to satisfy themselves that they have the appropriate knowledge, skills, experience and time to make a positive contribution to the Board.

Nominees will need to make themselves available to attend an interview as part of the selection process.

Code of Conduct

Nominees are expected to uphold the principles of the Board and adhere to the *Code of Conduct*.

Term of appointment

Members may be appointed to the Board for a period not exceeding 3 years. Members are eligible for re-appointment.

Role of the Chairperson

The chairperson is pivotal in creating the conditions for overall Board and individual member effectiveness.

The role of the Chairperson is to:

Leadership

- behave in a professional manner at all times
- provide coherent leadership of the Board
- establish an effective working relationship with the Director – Practitioner Services, the Registrar and other relevant Commission staff
- promote effective relationships and open communication, both internal and external to the Boardroom between members, relevant Commission staff and key industry stakeholders
- address the development needs of the Board as a whole with a view to enhancing its overall effectiveness including identifying and meeting the development needs of individual members
- play an active role in the formulation of an induction program for members that is comprehensive, formal, tailored and facilitated by the Commission.

Industry representation/liaison

- promote and represent the Board with key stakeholders
- liaise with and continually develop an understanding and appreciation of the views of industry.

Board management and performance

- promote the highest standards of governance and ensure members take proper account and adhere to statutory and other requirements such as their compliance to the *Code of Conduct*.
- uphold the highest standard of integrity and probity
- uphold the concept of natural justice and awareness of conflict of interest
- build an effective and complimentary Board, with involvement in planning the succession of Board appointments subject to Governor-in-Council approval
- ensure a clear structure for the effective running of Board meetings
- ensure that the members receive accurate, timely and clear information, in particular about the Board's performance, to enable the Board to make sound decisions, monitor effectively and provide advice to promote the business of the Board
- ensure that the performance of individuals of the Board and its derivatives is evaluated at least once annually
- ensure effective communication with the Commission and ensure that members of the Board develop a shared understanding of the relationship.

Meeting management

- conduct meetings of the Board so as to facilitate the full participation of members
- run the Board, set the agenda and establish a professional style and tone of Board discussions to promote effective decision-making and constructive debate.
- participate as a member of a panel of inquiry into the conduct and ability to practice of registered building practitioner.

Role of Members

The role of members is crucial to the smooth operation of the Board's business in meeting its obligations and achieving its objectives.

The role of a Board Member is to:

Leadership

- behave in a professional manner at all times
- promote and actively contribute to the highest standards of governance taking proper account to adhere to statutory and other requirements such as their compliance to the *Code of Conduct* and Board policy
- seek continually to improve their sound building industry and regulatory knowledge
- review their performance
- support the Board's values and standards and ensure that its obligations are understood and met
- uphold the highest ethical standards of integrity and probity
- support the Chairperson in his/her leadership of the Board whilst monitoring their own conduct
- make objective decisions through intelligent questions, constructive debate, challenge vigorously and decide dispassionately
- assess and make recommendations on applications for registration (not applicable to consumer and legal representatives)
- act in an objective manner in the context of the objectives of the Board.
- participate as a member of a panel of inquiry into the conduct and ability to practice of registered building practitioner.

Industry Representation/Liaison

- promote and represent the Board with key stakeholders
- liaise with and continually develop an understanding and appreciation of the views of industry.

Board performance

- listen sensitively to the views of others, both inside and outside the Boardroom
- gain the trust and respect of other members
- be independent in judgement and have an enquiring mind
- promote openness and trust and be well informed about the Board, the Commission and the industry, with a strong command of values relevant to the Board
- continually seek to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant
- ensure that information is reviewed and provided sufficiently in advance of meetings to enable thorough consideration of relevant issues
- uphold the concept of natural justice, understand the jurisdiction of the Board and have an awareness of conflict of interest
- seek continually to keep abreast of the environment in which the Board operates and the wider industry.

Vacancies on the Board

A member of the Board may resign by delivering/tendering a signed letter to the Minister.

The office of a member of the Board becomes vacant if the member:

- becomes bankrupt
- is convicted in Victoria of an offence punishable on first conviction with imprisonment for a term of 12 months or more or is elsewhere convicted of an offence which, if committed in Victoria, would be so punishable
- ceases to hold a position or qualification, which made the member eligible for appointment.

Acting Members

If a member of the Board is unable to perform the duties of his or her office, the Minister may appoint a person to act in the place of the member during the period of inability. Such an appointment is made with terms and conditions determined by the Minister and may also be terminated at any time the Minister deems appropriate.

An acting member has all the functions of the member that is replaced and entitled to any remuneration or travelling and other allowances as any other member of the Board.

Co-opted Members

To assist in considering a particular matter, the Building Practitioners Board may co-opt any person to be a member of the Board in accordance with section 185 of the Act. Once co-opted this person has the status of being a full member of the Board whilst considering that particular matter. The Board may also at any time remove a co-opted member from office. In accordance with the *Co-opted members Policy (4.2)* persons will only be co-opted in exceptional circumstances where the relative Board member is not able to perform that particular function and provided that the purpose of co-option relates to the core responsibilities of the Board defined in section 183 of the Building Act. Co-opted members are required to adhere to the *Code of Conduct*.

Sub-committees

The Board may establish and dissolve sub-committees and define their functions, procedure and membership (Section 186 of the Act) for the purposes of carrying out its functions. Members of a sub-committee do not have to be a member of the Board but are entitled to receive any remuneration, travelling or other allowances as fixed from time to time by the Minister for Planning in respect of that member.

Delegation of Board's functions

In accordance with section 186A of the Act, the Board may, by instrument, delegate its functions under section 172(3) and (4) to the chairperson or a member of the Board.

The Board may also by instrument, delegate its functions under section 170(1) to the Registrar of the Board.

Remuneration and allowances

A member of the Board (including a chairperson) who is not a member of the public service or the holder of a full-time statutory office is entitled to receive remuneration and travelling or other allowances as fixed from time to time by the Minister for Planning.

Members will not accept any fee, reward, gratuity, gift or remuneration of any kind other than sitting fees or allowances officially applicable to the Board. For further information on this topic refer to the Commission's *Gifts and Favours Policy (4.3)*.

Members may be reimbursed travel and accommodation expenses.

For advice on allowances refer to the Commission's *Expenses Policy* (9 March 2001) (4.4), *Guidelines for the Appointment and Remuneration of Part-time Non-Executive Directors of State Government Boards and Members of Statutory Bodies and Advisory Committees* (2001) *Guidelines for the Provision of Allowances for Travelling and Personal Expenses in the Victorian Public Service* (August 1993) and the Commission's *Guidelines for the remuneration of members of statutory boards and committees* (13 May 1999).

Members will only receive remuneration and allowances for services provided in relation to the Board's functions and responsibilities and must submit an invoice and complete the *Personal Expenses Claim Form* (for allowances only).

This item is further detailed in the *Code of Conduct* for the Board.

Induction

Following their appointment to the Board, members will be required to attend an induction program conducted by the Commission. Arrangements will be made for members to meet any relevant staff in the first month of their appointment.

The induction process will promote a better understanding of the nature of the Board, its responsibilities and the industry in which it operates including:

- membership and procedures
- role and functions
 - registration
 - inquiries
- statutory obligations and requirements.

Performance of the Board and its Members

Members are required to review the Board and their contribution as a Board Member. This review will be structured, documented and undertaken at least once annually.

The Board performance evaluation will consider the following elements:

- Board structure and roles
- Board and Member responsibilities
- strategy and planning
- performance monitoring
- Board meetings and processes
- The Board in general.

This will be conducted as a self-evaluation exercise involving each member. It is the responsibility of the chairperson to initiate this process and to follow up any matters arising with the Director of Practitioner Services.

If there is a particular issue arising from the review that is relevant to a member, the chairperson will follow this up with that member on an individual basis.

During this review, members will provide the chairperson and/or the Director of Practitioner Services with the opportunity to express an opinion as to how members could enhance the effectiveness of the Board and their individual contribution.

Professional Development

Members should regularly appraise their individual skills, knowledge and expertise and are expected to undertake a commitment to professional development in their role as a member. The content of any such professional development is subject to the approval of the chairperson and Director of Practitioner Services.

Conduct of Meetings

Frequency of meetings

A full Board meeting is held monthly for the purpose of meeting its statutory obligations and conducting its business. See Board's *Meeting Schedule*. Additional meetings are regularly held for a range of purposes including the assessment of registration applications and the holding of inquiries. Members are expected to make themselves available for such meetings. All meetings are held in accordance with Schedule 3 of the Act.

Chairing of meetings

The chairperson of the Board will usually chair any meeting of the Board, including inquiry panels if he or she is present. If the chairperson or deputy chairperson (if applicable) is absent a chairperson must be elected by the members present.

Quorum

A meeting of the Board can only be held if half the number of members is present or, if this is not a whole number, the next highest number.

Attendance

All members are expected to attend all meetings. A record of attendance at regular meetings is kept via the completion of the *Board Member Attendance Sheet*.

Should a member not be able to attend a meeting an apology must be lodged with the Registrar or Practitioner Services Officer supporting the Board at least one day before that meeting is to occur.

Declarations of Private Interests

Members who have a private interest in any matter that the Board may discuss at a meeting must make a full declaration prior to the matter being discussed. This declaration is to be recorded on the *Declarations form* and signed by the chairperson and the member declaring that interest at the relevant meeting. The member must also absent himself or herself from the room whilst the Board is considering the matter declared. For further information see *Code of Conduct*.

Decision making

Members are required to vote on all matters that require a decision to be made.

Members are entitled to express a difference of opinion and may vote accordingly and this will be recorded in the minutes of that meeting.

The Board can only make a decision if a majority vote is obtained.

There is no provision for a member to vote by proxy.

Agenda

The agenda for monthly meetings is usually circulated one week prior to the meeting. All items for inclusion on the Agenda should be directed through the Registrar or the Practitioner Services Officer assisting the Board. Items requiring further action will remain on the agenda until the action has been completed. Members are encouraged to submit agenda items 10 working days before the meeting.

Meeting paper structure

All meeting papers will be structured to provide for:

- a summary and background of the issue to be considered
- a summary of the major issues impacting on the decision if one is to be made
- a recommendation to the Board.

Members have a right of access to all relevant information, both supporting and countering a recommendation.

Minutes

Minutes of meetings are to be a true and balanced reflection of the discussion and decisions of the Board. Minutes will be circulated with the Agenda for the next Board meeting.

Staff attendance at Board meetings

Attendance of staff is at the discretion of the Director of Practitioner Services in consultation with the chairperson.

Some staff may be required to attend solely whilst a particular agenda item is under consideration by the Board.

Members access to staff

Any communication to Commission staff with respect to Board business should be directed through the Registrar of the Board or the Practitioner Services Officer providing support to the Board. For Commission matters all communication is to be through the Director of Practitioner Services via appropriate channels. See *Staff Protocols*.

Forms

Personal information

Certain forms are required to be completed to enable payment of sitting fees and associated expenses if applicable. There are two options for payment, the first as an individual and second as an employee of a company by invoice which requires an ABN number.

Tax File Number Declaration

This form will need to be completed if you have decided to be paid as an individual, through the Commission's payroll system.

Direct Credit Authority

For payment by Electronic Funds Transfer either as an individual or as an employee of a private company.

Employee and Board Member Superannuation Nomination

This form will need to be completed if you have decided to be paid as an individual. There are currently two options of superannuation funds at the Commission, Lifetrack and VicSuper. Members are to make an informed decision based on their own enquireies with the funds.

Payment Authorisation for payment to an employer

This form will need to be completed if you have decided that your employer is to be paid.

Sub-Committee Time Sheet

All Board related activities are to be recorded on the timesheet. Some of these items include attendance at Board meetings, assessment of applications for registration, attendance at inquiries and the like. This form will need to be submitted on a monthly basis to the Registrations Co-ordinator along with your Personal Expenses Form and associated documentation, such as receipts, for payment to occur.

Contact details

A list of contacts for Practitioner Services Staff and members is attached for your information. See *Contact Details - BPB Members* [\(6.5\)](#) and *Contact Details - Practitioner Services* [\(6.6\)](#).