

Registered Building Practitioners continue to be highly valued

Practitioner Survey 2008

Registered Building Practitioners talk about their experiences in the building industry

The Building Commission's sixth annual pulse^o practitioner and consumer survey results are now available. For information on the consumer survey see the [Consumer Survey 2008](#) report.

RBPs report on their experiences and views of the industry

The practitioner survey randomly interviewed 600 Registered Building Practitioners (RBPs), who were registered and active in the industry during 2008.

RBPs job satisfaction is consistently high

The practitioner research has consistently shown that the building industry is an attractive place to work and RBPs continued to be highly satisfied with their jobs.

85 per cent of RBPs continue to be highly satisfied with their job

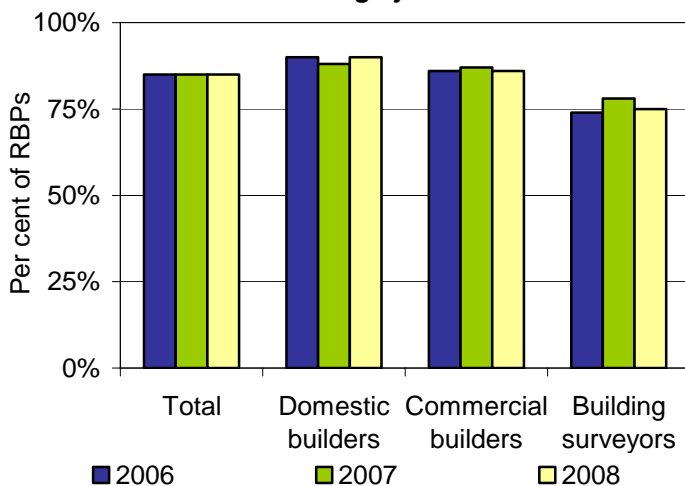
The 2008 research showed RBPs reported high levels of job satisfaction. In 2008, 85 per cent reported high job satisfaction, similar to previous years.

Domestic builders were the most satisfied, with 90 per cent reporting high satisfaction, compared to commercial consumers at 86 per cent. Building surveyors were less likely to be satisfied at 75 per cent; municipal building surveyors the least likely, at 70 per cent.

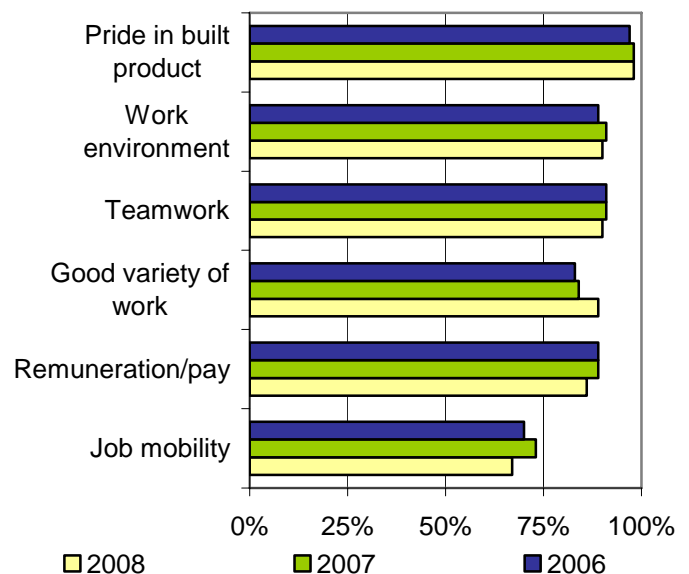
Furthermore, practitioners working on fewer projects per year were more satisfied than other practitioners.

Pride in the built product, teamwork aspects and the work environment were the most important factors contributing towards job satisfaction, similar to previous years.

Practitioners with high job satisfaction

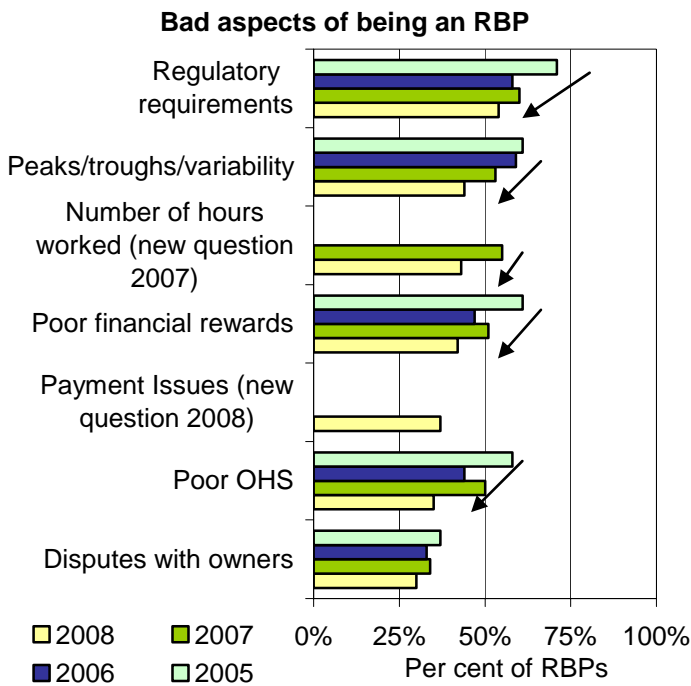


Aspects of job satisfaction



Pride in the built product was the biggest aspect of job satisfaction

Regulatory requirements, the ups/downs of work and number of hours worked were factors causing job dissatisfaction. However all three of these factors have decreased compared to 2007, and especially compared to 2005.



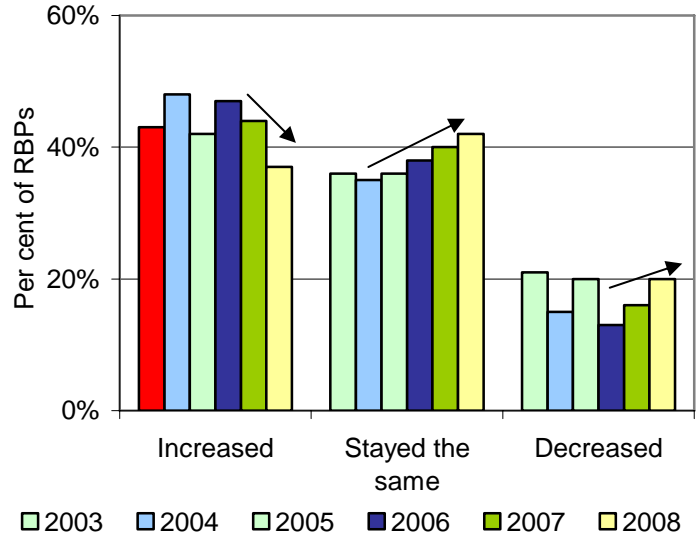
RBPs expect profitability and economic conditions to change

On profitability experiences, there were less RBPs reporting increased or consistent profits and more reporting lower profits during the past two years.

More businesses reported stable profitability

Seventy-nine per cent of RBPs reported increased or consistent profits over the previous two years compared to 84 per cent in 2007. Twenty per cent reported lower profits in the past two years compared to 16 per cent in 2007. There is an ongoing trend towards businesses reporting stable profitability each year.

Business profitability during last two years

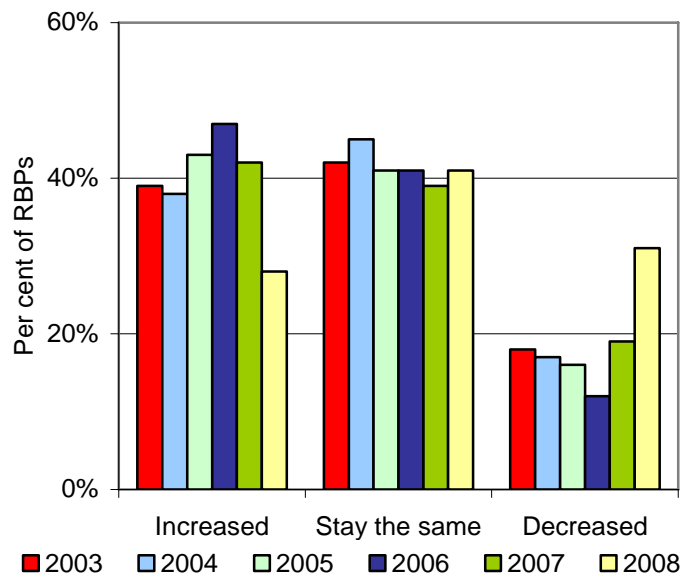


RBPs reported a cautious outlook with regards to their profitability and the economic environment.

Profitability expectations are for consistent or decreased profits

Profitability expectations over the next two years were less optimistic than previous years. Twenty-eight per cent of RBPs expect increased profitability, compared to 42 per cent in 2007.

Expectations of profitability in the next two years

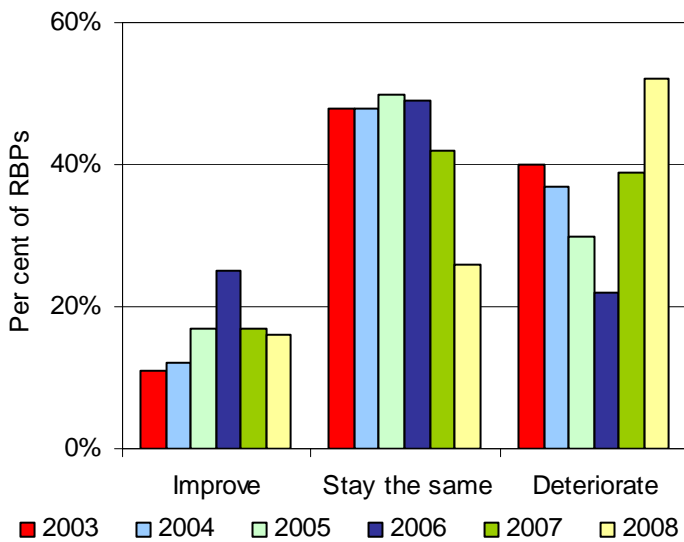


The proportion of businesses forecasting increased profitability decreased in 2008

The number of RBPs forecasting deteriorating profits in their businesses increased to 31 per cent, up from 20 per cent in 2007. The remaining RBPs expect their profits to stay the same.

More than half of RBPs (52 per cent) expect the economic environment to deteriorate in the next two years compared to 39 per cent in 2007. Twenty-six per cent expect the economic environment to remain the same, and 16 per cent expect improvement.

RBPs expectations of the economic environment



52 per cent of RBPs expect the economic environment to deteriorate

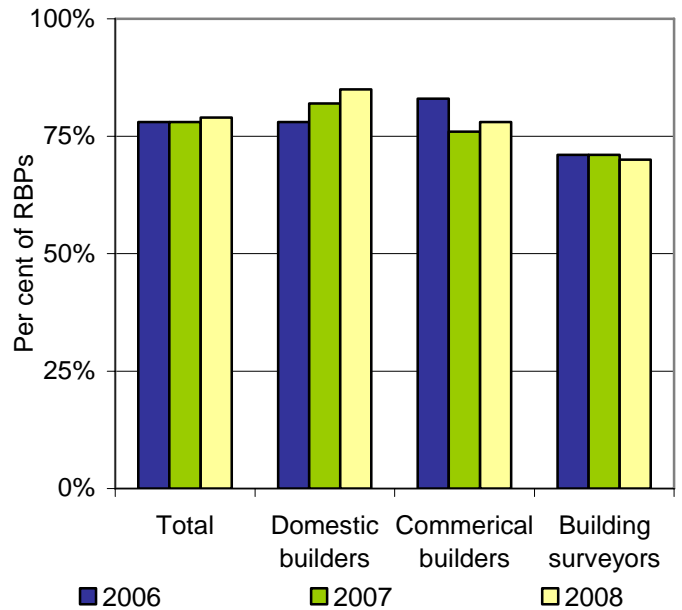
Commercial builders and building surveyors forecasted a decline more often than domestic builders. Interestingly, builders from Inner Melbourne were more likely to forecast a decline.

The research also showed 79 per cent of RBPs expect to be working in the industry in five years time.

Similar to previous years, 63 per cent of those anticipating leaving the industry were planning retirement, and 25 per cent were looking to satisfy a career or lifestyle change.

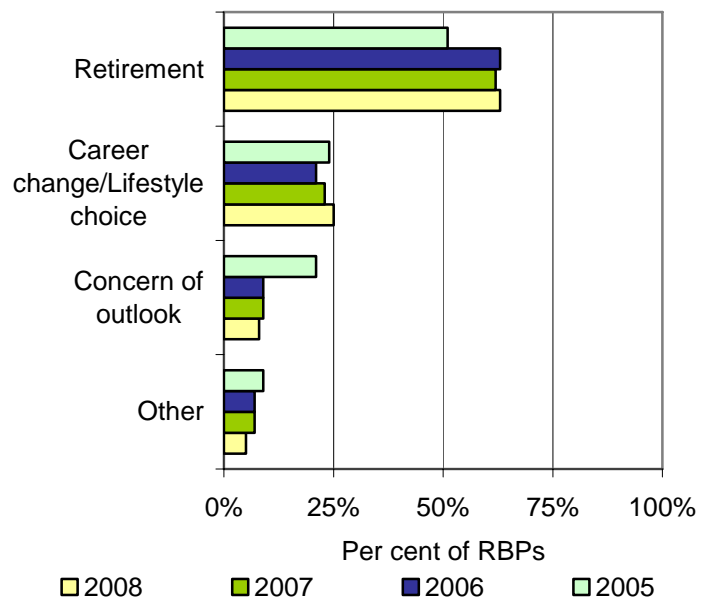
79 per cent of RBPs have planned to stay in the industry

Practitioners expecting to be operating in 5 years



RBPs planning their exit from the industry due to concerns about the industry outlook continued to be much lower than previous years. Eight per cent of departing RBPs gave this as their reason, similar to 2007 and 2006, but down from 21 per cent reported in 2005.

Reasons for plans to exit industry

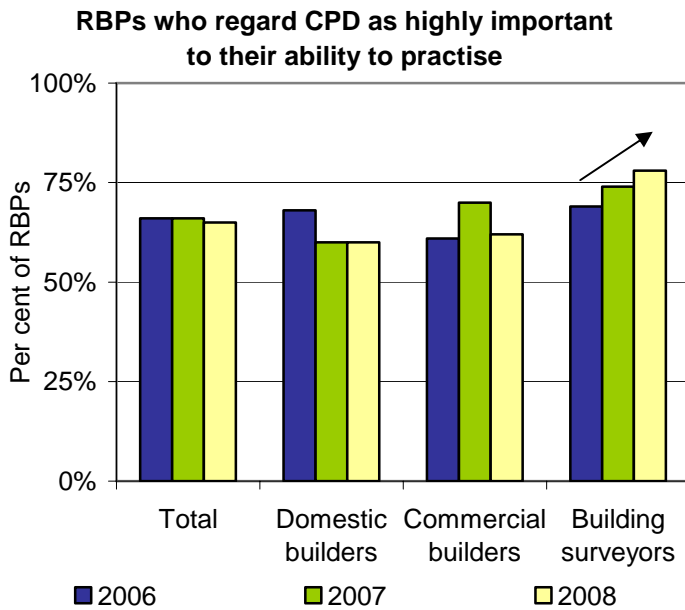


CPD hours increase

The focus on careers within the industry is solid as the focus on Continuing Professional Development (CPD) remains stable.

65 per cent of RBPs view CPD as highly important to their ability to practise

CPD was highly valued with 65 per cent of RBPs viewing it as highly important to their ability to practice, the same as 2007.



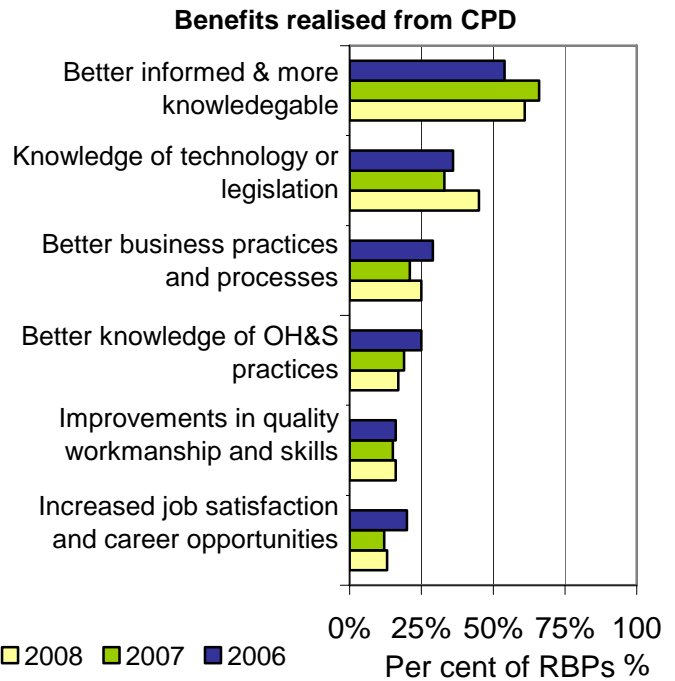
Building surveyors reported the highest CPD value

Building surveyors reported the highest CPD value with 78 per cent viewing CPD as highly important. However, the survey showed municipal and private surveyors varied in their responses. Municipal building surveyors highly valued CPD with 85 per cent reporting high importance, up from 83 per cent in 2007. Private building surveyors reported 76 per cent with high importance, up from 70 per cent in 2007.

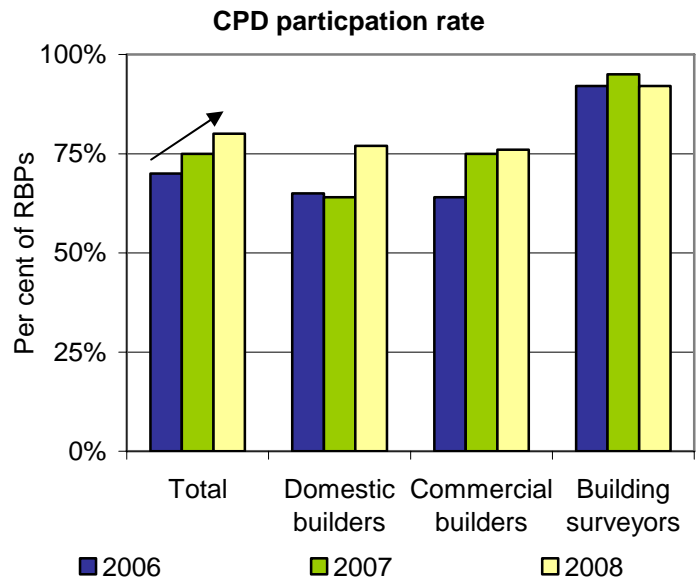
Domestic builders' valued CPD at the same rate as 2007 with 60 per cent reporting high importance. Commercial builders however reported a decrease in importance to 62 per cent from 70 per cent in 2007.

The benefits of CPD varied. The most common was being better informed and knowledgeable, where 61 per cent of RBPs reported this as a benefit, down from 66 per cent in 2007. Forty-five per cent of RBPs stated an increased knowledge of

technology or legislation was a benefit of CPD, up from 33 per cent in 2007.

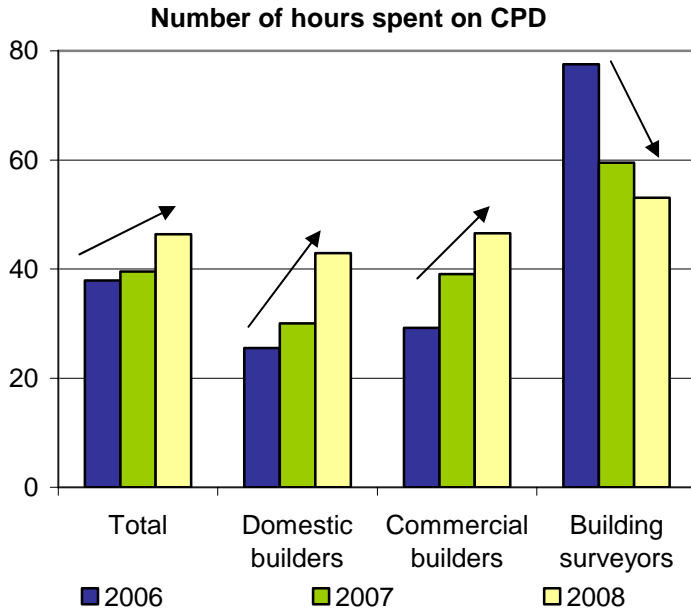


Eighty per cent of RBPs participated in some form of CPD during 2008, up from 75 per cent in 2007. Building surveyors were the most likely to participate in CPD. Domestic builders showed strong participation growth in 2008 to 77 per cent, up from 64 per cent in 2007, yet they valued it least.



80 per cent of RBPs participated in CPD during 2008

The average number of hours RBPs spent on CPD increased to 46 hours in 2008, up from 40 hours per annum.



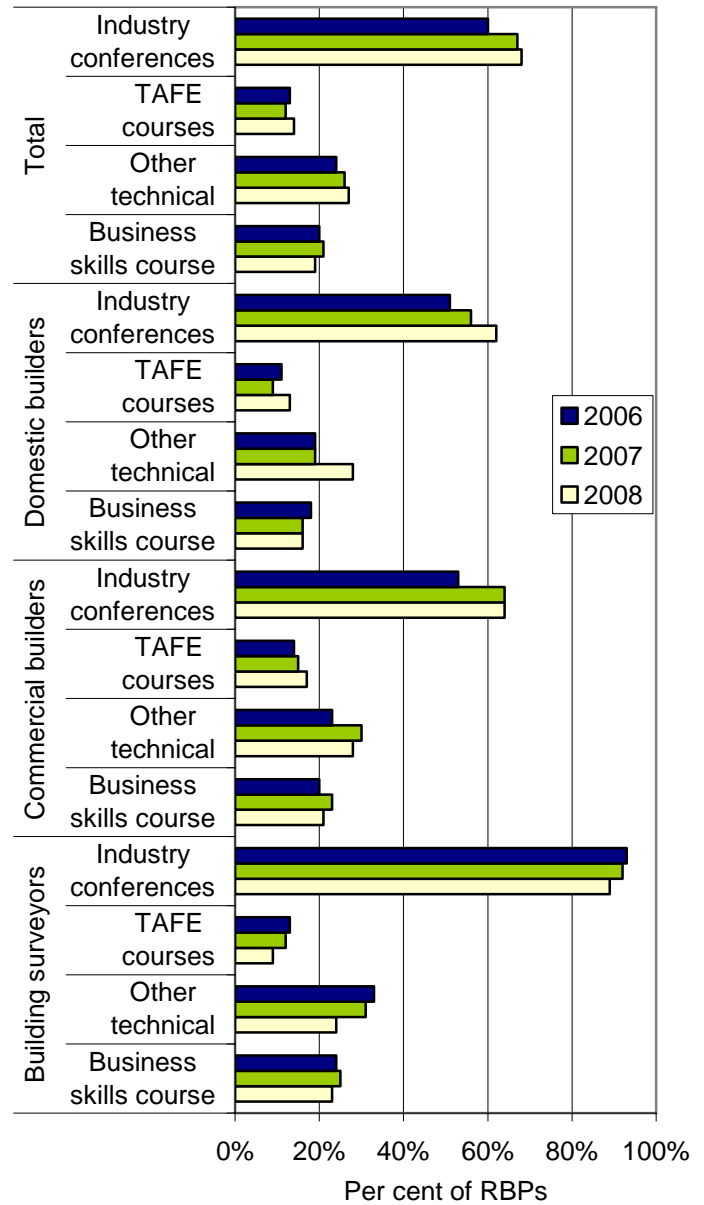
Building surveyors continued to lead the way with the most number of CPD hours. Domestic and commercial builders both reported increases in the number of hours spent on CPD.

Building surveyors spent 53 hours on CPD during 2008

Building surveyors spent an average of 53 hours on CPD activities during 2008, down from 60 hours in 2007. Commercial builders spent 47 hours and domestic builders 43 hours up from 39 and 30 hours respectively.

The most common form of CPD was attending industry conferences and seminars, followed by technical skills courses, business skills and TAFE courses. Eighty-nine per cent of building surveyors reported attending an industry conference or seminar during 2008.

CPD participation by type

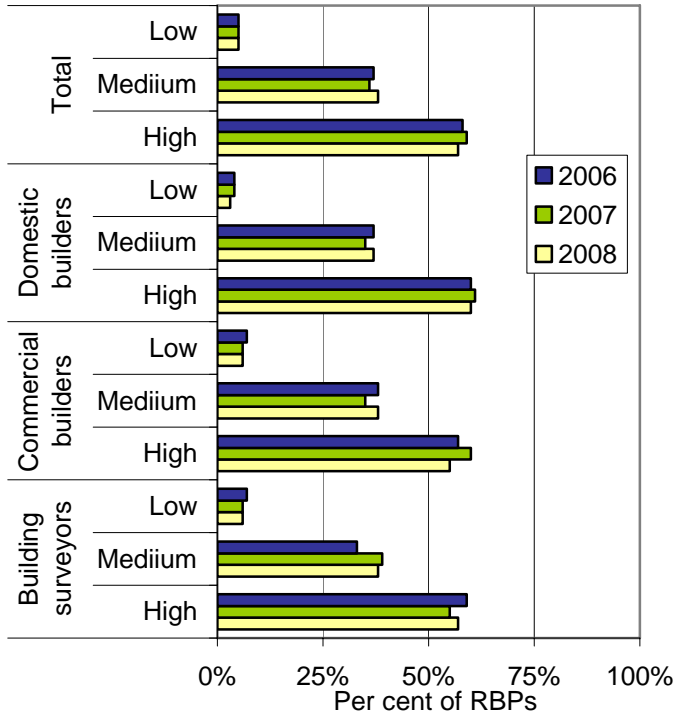


RBPs continue to support environmentally sustainable building

RBPs continued to show their commitment to environmentally sustainable building. On average RBPs rated their environmentally sustainable building knowledge as reasonably thorough. In 2008, 57 per cent rated their environmentally sustainable building knowledge as very thorough and a further 38 per cent moderately thorough. These levels are similar to previous years.

Domestic builders reported higher assessment of their environmentally sustainable building knowledge, with 97 per cent moderately or highly thorough compared to 93 per cent of commercial builders. Building surveyors reported 95 per cent moderately or highly thorough knowledge of environmentally sustainable building.

RBP environmentally sustainable building knowledge



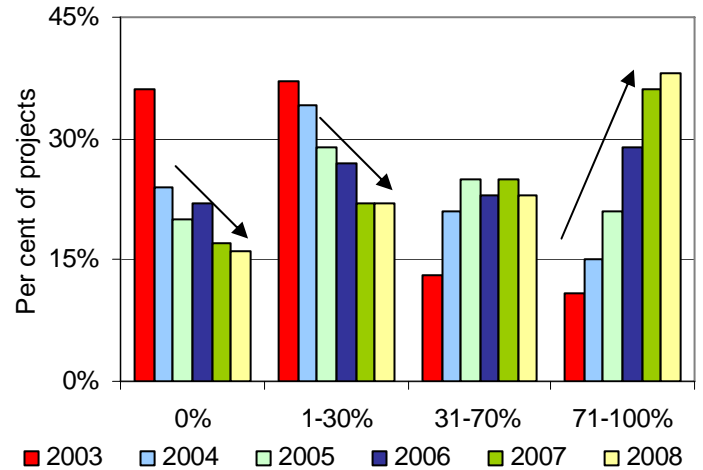
RBPs reported that the most common source of their environmentally sustainable building knowledge was informal reading. Other sources included talking to others, industry conferences or seminars and the internet were used by RBPs to keep their environmentally sustainable building skills up-to-date.

In 2008, 38 per cent of RBPs reported that greater than 70 per cent of their projects contained environmentally sustainable building elements in the procurement criteria, compared to 36 per cent in 2007. The results showed an increasing number of RBPs reporting 71 to 100 per cent of their projects including environmentally sustainable building, and a corresponding decrease in RBPs reporting no or a low number of projects including environmentally sustainable building.

For 69 per cent of RBPs, the main reason for including environmentally sustainable building elements was due to regulatory requirements. Consumer requests were the other main reason in including environmentally sustainable building elements for 35 per cent of RBPs.

More projects included environmentally sustainable building at procurement

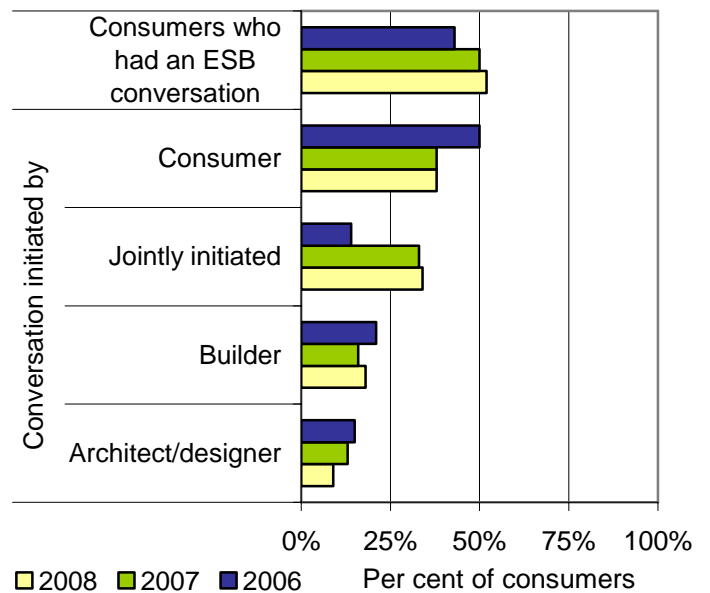
Per cent of projects including ESB at procurement



The consumer survey conducted at the same time as the practitioner survey found that 52 per cent of consumers engaged in an environmentally sustainable building discussion with their builder, compared to 50 per cent in 2007.

Of these discussions, 38 per cent were initiated by the consumer, 34 per cent were jointly initiated and 27 per cent were initiated by the builder, designer or architect.

Consumer use of ESB and ESB conversations



38 per cent of environmentally sustainable building conversations were initiated by the consumer

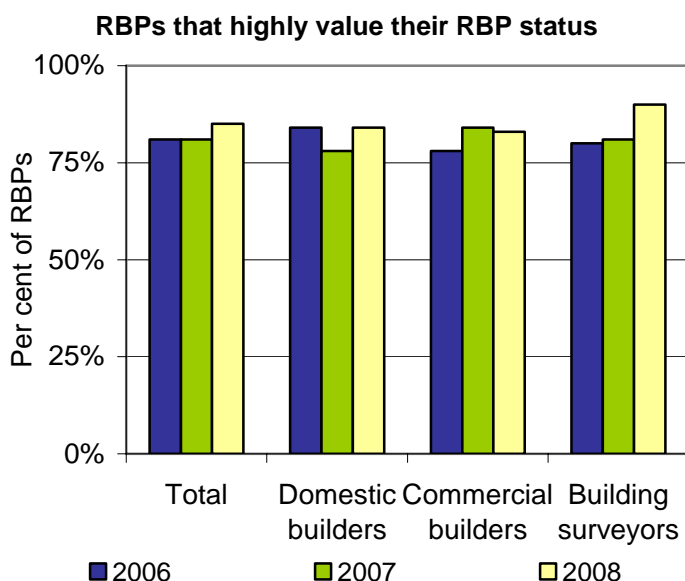
Previously, consumers initiated the bulk of the conversations, however since 2007, there has been an increasing number of jointly initiated conversations meaning these conversations are becoming a normal part of any building project.

Environmentally sustainable building conversations are a normal part of building projects

For more details on environmentally sustainable building conversations, consumer value and use - see the [Consumer Survey 2008](#) report

RBP status is highly valued

In 2008, 85 per cent of RBPs highly valued their registration, up from 81 per cent in 2007.



The main benefit of being an RBP was that it signified credibility to clients and colleagues.

Being an RBP signifies credibility

The most commonly used RBP resources were practice notes, site signs, stickers and the RBP logo in business marketing or advertising. More building surveyors used practice notes with 93 per cent, compared to domestic or commercial consumers which recorded 56 and 49 per cent respectively.

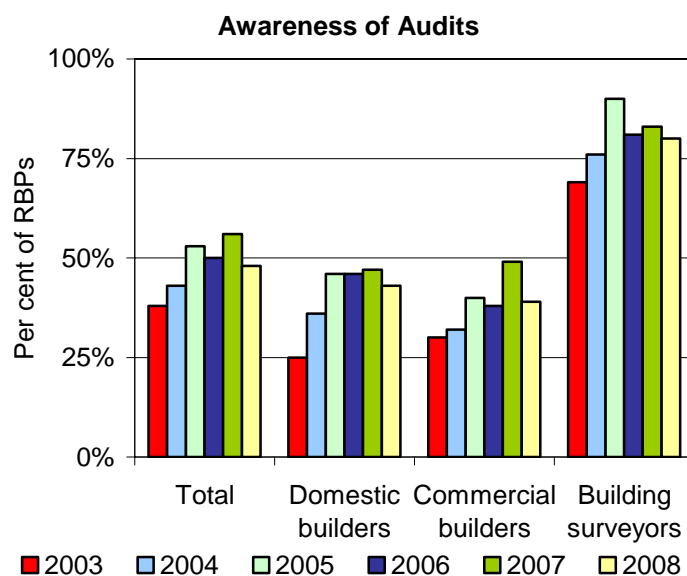
Building Commission audits, inquires and prosecutions awareness levels off

The Building Commission regularly monitors compliance with the Building Regulations by conducting random audits, BPB inquiries and prosecutions.

Awareness of all three has grown since the first survey in 2003, levelling off in the past 3 years. In 2008 there was a slight decrease in the awareness of all three activities compared to 2007.

Commercial builders' awareness decreased in all areas.

In 2008, 80 per cent of building surveyors reported high awareness of random audits, compared to 83 per cent in 2007. Domestic and commercial builders reported much lower awareness, with 43 and 39 per cent respectively, compared to 47 and 49 per cent in 2007 respectively.

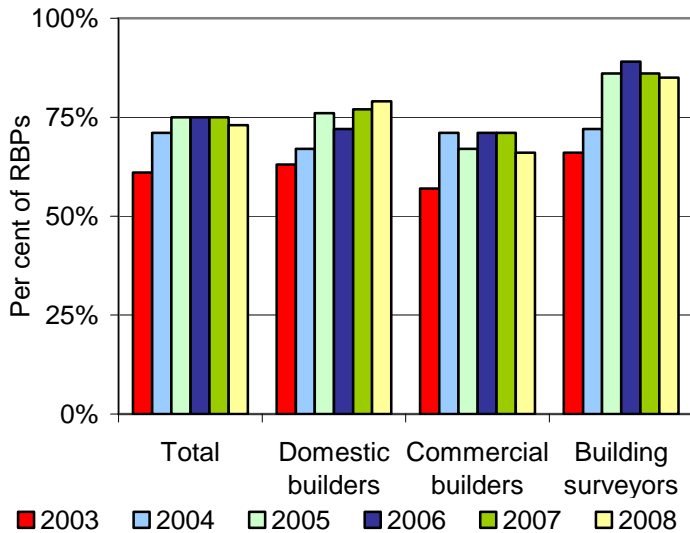


On average RBPs expected to be the subject of an audit at least once every four years, the same as 2007. Domestic builders expect audits every 5 years, while commercial builders expect an audit every 4 years and building surveyors every 3 years.

RBPs reported knowing about Commission prosecutions with 73 per cent reporting high awareness. This is down slightly on the previous three years which recorded 75 per cent.

In 2008 awareness all three activities eased

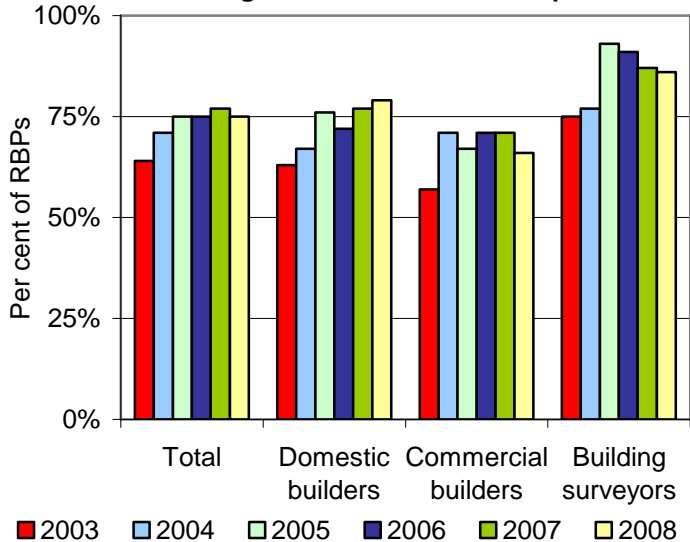
RBPs with high awareness of BC prosecutions



Building surveyors and domestic builders reported similar awareness to previous years with 85 and 76 per cent respectively. It was commercial builders that affected the change in total awareness with 63 per cent reporting high awareness, compared to 69 per cent in 2007.

Awareness of BPB inquiries was similar to previous years with 75 per cent of RBPs reporting high awareness.

RBPs with high awareness of BPB inquiries



Again, building surveyors and domestic builders reported similar awareness to previous years with 86 and 79 per cent respectively, while there was a decrease reported by commercial builders. Two thirds of commercial builders reported high awareness, compared to 71 per cent in 2007.

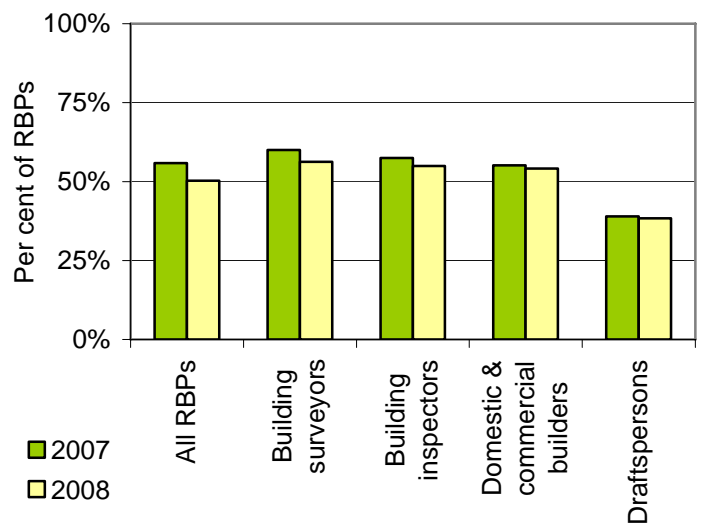
RBPs improve with innovation

The building industry continued to be innovative in 2008. Most RBPs, 93 per cent, reported improvements in their building practices in the last 5 years to include new and innovative ways of building. Fifteen per cent had significantly changed their practices, and another 78 per cent had made some changes. These levels are consistent with previous years.

15 per cent of RBPs reported significant practice changes to include innovation

According to RBPs the quality of RBPs has improved moderately over the past 5 years. Half of all RBPs reported there had been a high level of improvement in the quality of all RBPs and another 37 per cent reported a moderate level of improvement.

RBPs who have highly improved in 5 years



Building surveyors were reported to have improved the most, with 57 per cent highly improving and 31 per cent moderately improving. Building inspectors followed with 55 per cent highly improving and 33 per cent moderately improving.

Domestic and commercial builders improved their quality with 54 per cent of RBPs reporting high improvement, and 36 per cent reporting moderate improvement.

Draftspeople showed the lowest amount of improvement with 39 per cent of RBPs reporting high improvement and 40 per cent reporting moderate improvement.

RBPs continue to use computers in their day-to-day business with 94 per cent reporting regular use. The research showed that the main purposes for using computers were: accounting, bookkeeping, billing, email and internet browsing.

Building surveyors and commercial builders used computers more with 99 and 97 per cent respectively, compared to domestic builders where 90 per cent used computers. RBPs completing a higher number of projects per year and those with less than 22 years experience were more likely to use computers in their day-to-day business.

Around 16 per cent of RBPs accessed the internet on their work/business mobile phone. The main uses were to check the weather, send and receive emails and to search for suppliers and products.

RBPs satisfied with each other

The survey asked builders to rate building surveyors and building surveyors to rate builders.

The majority of builders were satisfied with the service provided by their building surveyor. In fact, 79 per cent of builders had a high level of satisfaction with building surveyors, compared to 76 per cent in 2007.

Building surveyors and builders are satisfied with each other

Building surveyors' satisfaction with builders remained the same as 2007 with 67 per cent rating their satisfaction with the overall standard, knowledge and service provided by the builder as high. The level of satisfaction jumped in 2007 from 42 per cent and was maintained in 2008.

Reporting unregistered builders

Ninety-one per cent of RBPs would report an unregistered builder.

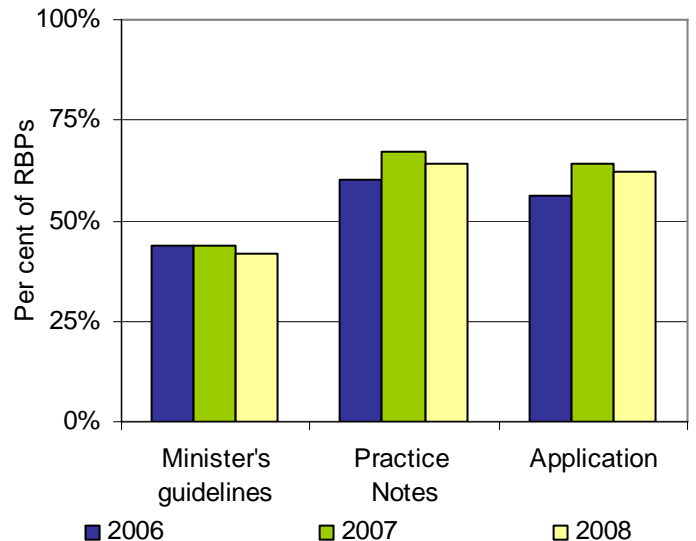
Those surveyed said the common reason for reporting an unregistered builder was if the RBP thought the builder was doing unsafe or dangerous work or a poor quality job. Forty-three per cent of RBPs would always report regardless.

Practice notes readability remains steady

The readability and application of the building regulations has been trending upwards, however in 2008 eased slightly.

RBPs use Building Commission practice notes to apply and interpret the building standards. In 2008, 64 per cent of RBPs reported easy understanding of the practice notes, compared to 67 per cent in 2007.

RBPs who find the material easy to read and apply



Building surveyors said practice notes were easier to apply at 75 per cent compared to domestic and commercial builders which 61 per cent reported they were easy to use.

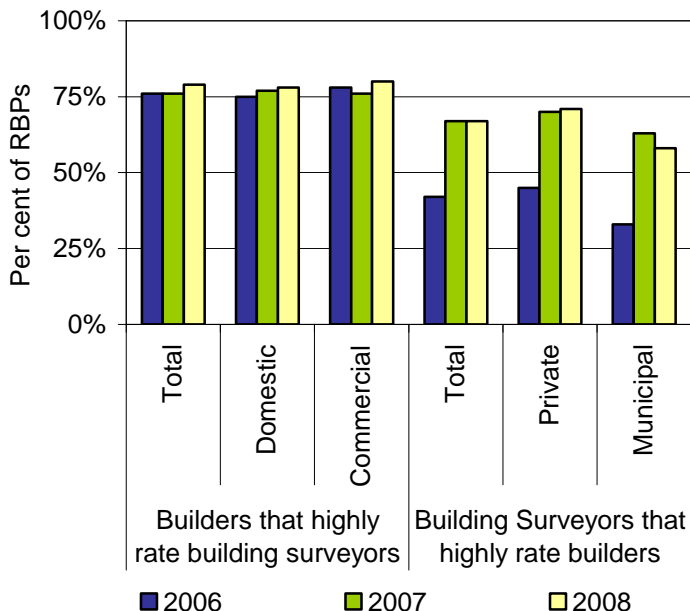
Sixty-two per cent of RBPs found it easy to apply the building standards given the supporting practical information and advice, compared to 64 per cent in 2007.

Problems encountered

Since 2004, the survey has included a section on problems encountered during building projects. Registered domestic and commercial builders (registered builders) were asked about any problems encountered during the past 12 months.

Problems ranged from a concern, a disagreement, a conflict where third party conciliation was required for resolution, or a

Standard of builders and building surveyors



dispute where the matter was taken to a binding legal court, such as the Victorian Civil and Administrative Tribunal (VCAT).

88 per cent of RBPs reported no serious problems during 2008

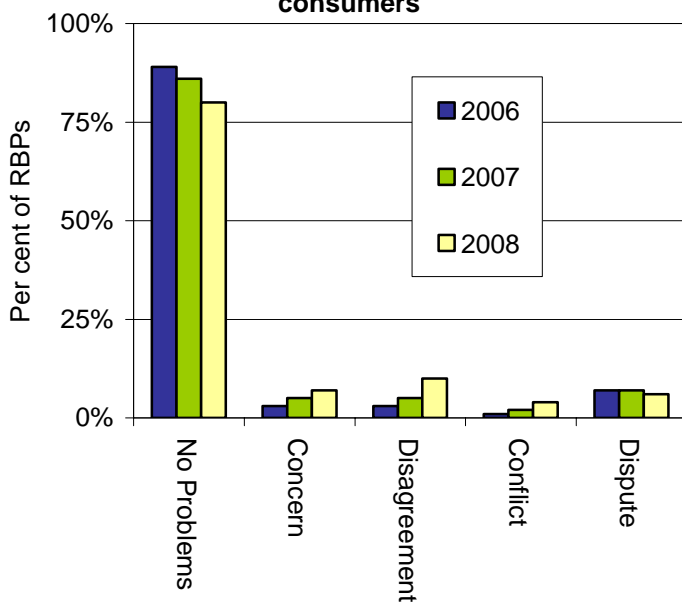
The proportion of the sample that encountered a serious problem (conflict or a dispute with their client) increased slightly to 10 per cent compared to 9 per cent in 2007. There were more commercial builders reporting serious problems with 12 per cent compared to domestic which reported 8 per cent encountering a serious problem.

Quality of work was not as much of a problem as it had been reported in previous years. In 2008, 14 per cent of problems were due to quality of work issues, compared to 30 per cent in 2007.

Twenty-five per cent of problems were due to the consumer withholding payment. (A new survey question in 2008)

Contract or scope of work issues were the main problem reported. In 2008, 29 per cent of problems were due to a misunderstanding of the contract or scope of work, up slightly on 27 per cent in 2007.

Incidence of problems encountered by building consumers



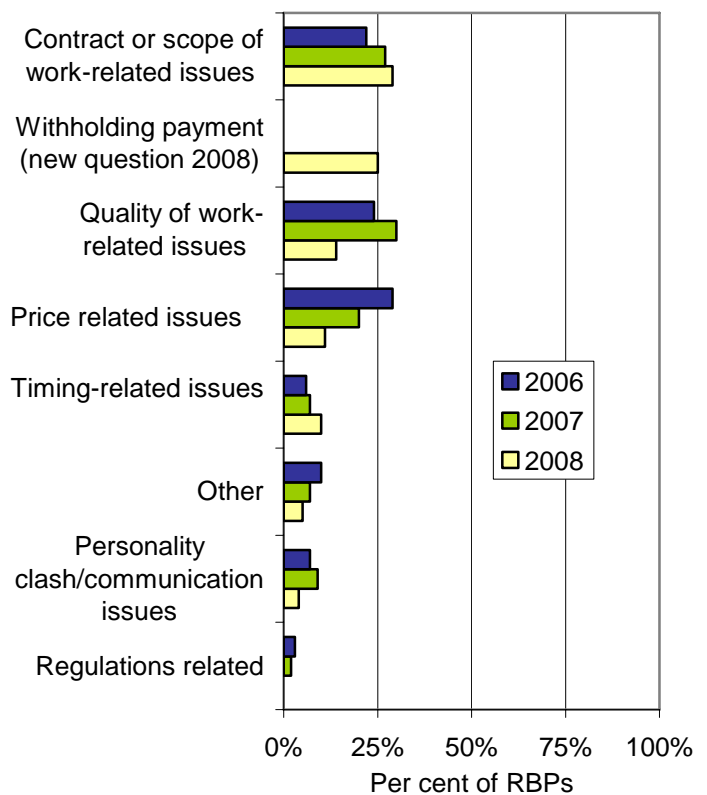
Nine per cent of the sample reported a disagreement with their builder that did not require third party intervention to resolve. A further 6 per cent had a concern but did not raise the problem as it seemed too minor or the problem resolved itself.

The contract or scope of work was the main subject of all problems

In 2008, the main subjects of the problems were reported to be the contract or scope of the work, quality of work and withholding payment issues.

Contract or scope of work issues were the main problem reported. In 2008, 29 per cent of problems were due to a misunderstanding of the contract or scope of work, up slightly on 27 per cent in 2007.

Main issue of problem



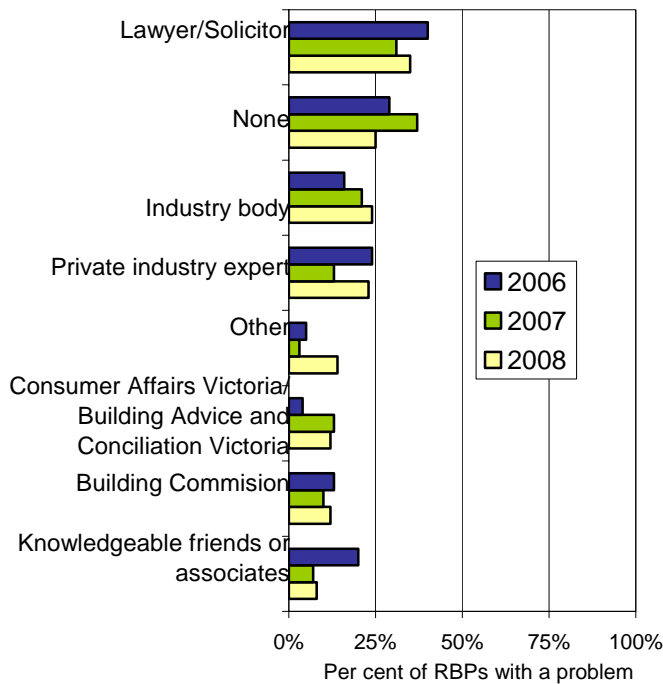
At the time of the survey, 79 per cent of the problems were resolved. In resolving the issue, 44 per cent of RBPs had a direct discussion with their client, up from 25 per cent in 2007. Sixteen per cent reported using mediation, 14 per cent used legal advice and influence and 12 per cent used VCAT.

According to 64 per cent of builders, there was no or less than \$5,000 of costs associated with resolving the issues, similar to 65 per cent in 2007. A further 6 per cent reported it was around \$8,000, and 14 per cent reported costs of around \$30,000. There were 6 per cent that reported costs above \$50,000, and 10 per cent did not answer this question.

On average, the issue lasted 20 weeks, shorter than 2007 at 22 weeks. Thirty-six per cent of issues were resolved within the month, and 33 per cent took up to six months to resolve. A further 15 per cent took around 9 months to resolve and 15 per cent took in excess of 1 year.

Registered builders used external parties to aid resolution. In 2008, 75 per cent sought advice in an attempt to resolve the problem, up from 63 per cent in 2007. Thirty-five per cent consulted lawyers/solicitors, 24 per cent used industry bodies and a further 23 per cent used a private industry expert.

Parties consulted to aid resolution



On average, registered builders suffered moderate to high levels of stress and anxiety as a result of the problem. In 2008, 60 per cent of registered builders reported high levels of anxiety caused by the issue, similar to 57 per cent reported in 2007. There were 20 per cent that reported moderate levels and another 20 per cent who reported having low levels of anxiety.

As might be expected, the more severe the issue, the more anxiety felt, with practitioners going through a dispute reporting higher levels of anxiety.

The research showed that those registered builders surveyed were moderately satisfied with the outcome of the problem. In 2008, 78 per cent reported moderate to high levels of satisfaction, the same as 2007.

According to registered builders, there is little that can be done to avoid these problems. However, improved client understanding of

building processes and improved communication were two of the most significant factors in avoiding problems.

For information on problems that consumers face during a building project – see the *Consumer Survey 2008 report*.

In summary

The 2008 practitioner survey results build upon the previous year's research identifying trends and emerging changes.

RBPs continued to be highly satisfied with their job. Building surveyors were generally less satisfied with their job than builders.

The changing economic landscape is evident in RBPs' profitability experiences and expectations. Compared to 2007, RBPs are not as optimistic about their future profitability or the economic environment.

Most RBPs plan to stay in the industry over the next five years.

RBPs continued to show their commitment to environmentally sustainable building. Domestic builders and building surveyors reported their environmentally sustainable building skills as moderate to highly thorough.

Practitioners' perceived value of CPD is stable. Building surveyors continued to place the highest value on and devote a larger amount of time to CPD than builders. Domestic builders participated more in CPD activities in 2008, than previous years.

RBPs' awareness of random audits, Building Practitioner Board inquiries, and Building Commission prosecutions has grown since 2003, but levelled off over the past three years. In 2008 there was decreased awareness, but the higher levels were maintained.

Building surveyors and builders are satisfied with each other's work.

Half of all RBPs significantly improved their quality over the past 5 years.

For more information and for previous years' survey results visit www.pulse.buildingcommission.com.au.