From all sides podcast transcript

Episode 24, Sue Eddy, Chief Executive Officer at Victorian Building Authority (VBA)

Speaker Key:

IV Chloe Symes, Director at Cube Group

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Transcript:

IE First of all, I would say never put it off. When we started the process, probably some of our own people, but some of our stakeholders are like, why now? Don't underestimate the power of positivity, to have something to look forward to. I feel that, having done it when we did it, maybe we got a better strategy than if we hadn't been in some really point of significant disruptions.

IV Today, we're speaking with Sue Eddy, the Chief Executive Officer of the Victorian Building Authority. Sue has decades of experience in the public sector. She's an expert in regulation, fiscal management and governance. The Victorian Building Authority issues over 100,000 building permits, 500,000 compliance certificates and has over 50,000 registered practitioners.

The VBA have recently set a bold new strategy. This outlines a plan to safeguard Victoria's future. This strategy was developed during COVID whilst the industry was coming out of a sustained period of growth, and was also navigating supply chain shortages and other repercussions from the pandemic.

In this episode, we explore with Sue the importance of having a collaborative process to set a strategic direction. One that ensures everyone understands where the organisation is heading. Sue also reflects on the VBA’s is recent shift to a prevention and early intervention approach through their innovative green channel.

I'd encourage any public sector leader to listen to this podcast, as it contains some practical tips which are well worth a listen. Ones that reflect on when might be the right time to start a strategic planning process. There's also some great reflections on shifting to a databased proactive regulatory stance. One that assumes that most people want to do the right thing. Hello, and welcome, Sue, and thank you so much for joining our podcast today.

IE Chloe, lovely to be with you.

IV Sue, I thought I'd start with how you came to be the Chief Executive Officer of the Victorian Building Authority?

IE It's an incredibly privileged position that I took up at the end of 2017. It was a great opportunity to contribute back to the community. It was a little bit like coming home. I started my public service and sector career in Dandenong and DHHS back in, I think it was, 2002. I really enjoyed being really close to the community and being able to have a direct impact, for getting into the opportunity of the CEO, in the building regulations space, when there was some really significant issues to help the community and the industry work was a great way of serving the wonderful people of Victoria.

IV I'm interested, how did you find it moving from a background in central government agencies to moving into a regulator? What has that transition been like for you?

IE Yes, it's interesting. I did start in DHS in Health and Human Services on the ground out in Dandenong. While I've been in policy more recently, I've always been heavy and operational, and all of the parts when you work across government, I've worked in many different settings, you’re really bringing a frame to, a way of solving strategic problems. I trained as a chartered accountant, and like engineers, and others, the discipline gives you a framework of which to move across many, many different disciplines and types of work, which I've found really helpful over time.

IV Before joining the Victorian Building Authority, Sue. Did you have a personal connection to building regulation?

IE Only so much in that I'm one of the very privileged Victorians who owns a home. We had done renovations over the time. We'd had trades come to the house. Some good experiences. Some different experiences. I’ve seen our communities change over time with planning law changes and building projects underway. Those things really do impact the memories that you have at your home, which is such an important place for many of us and part of our economic participation, our wellbeing, and seeing what our communities go through, pretty much just as a member of the community.

IV Renos are never fun that's, for sure.

IE Yes, it's like anything working across the system, if you've got that lived experience from the other side, you do bring that to work, and you can really put your put yourself in the shoes of others. I remember when we did our works, the building system regulation was foreign to me. There's a lot you're having to learn. It’s a really stressful time because it's your family home. You're disrupting your family. It's a big financial cost. You're trusting the trades and other things as part of that system. I did learn a lot through that. It's such a critical part to economic growth and having spent time and economic portfolios, I could really see an opportunity to contribute in a different way to Victoria through this job.

IV Let's talk a bit more about that contribution. In 2022, the Victorian Building Authority launched a bold new strategy designed to safeguard our future as Victorians. Your plan was developed during COVID, and was also set out to guide the VBA for the next five years. How did you go about developing that plan, particularly considering that it was developed during COVID? How did you go about ensuring everyone was on board with the strategic objectives considering that complex stakeholder landscape you have at the VBA?

IE It is a very complex stakeholder environment for us. Our plan, yes, it was set in a context of COVID where there was so much disruption. It was also set against a backdrop of that continuously evolving building and plumbing industry, across our community. We knew that we needed to develop a plan that was going to be relevant to all the key groups. Relevant to builders. Relevant to plumbers, relevant to the industry stakeholders, and essentially relevant to every Victorian.

 During the pandemic, we were all using in our homes in a really different way to what we've traditionally thought of our homes, workplaces, everything was one. It became the home, the hospital and the office. It was opportunity for us to think about our strategy differently in the context of that change that was unfolding around us, and the future of housing, and our communities’ public infrastructure may change into the future, and that important role that we had in regulating the sector.

We developed the strategy around three important public value outcomes and these are safe and resilient buildings, communities reaching their potential, and a confident and thriving industry. Each of these outcomes have a direct relevance to all Victorians, but particularly in relation to those segments of our stakeholder base.

We saw through the COVID, and the pandemic, that having a well-regulated and highly skilled construction and building sector that embraced innovation was really important in terms of bringing those outcomes to life for us all. Our stakeholders, they're incredibly important to us in helping us to deliver for Victorians whether that's at the government level, the industry level, or the community level.

We wanted to make sure that our strategy picked up those important voices and helped deliver those messages to builders and plumbers but also provide meaningful feedback to us in the development of the strategy that helped guide that vision. It's a really collaborative process.

If I recall back then, it was a piece where we could focus around with positivity. It was very much an outlook beyond COVID. I think it really helped everyone focus and gather around what would be important future state for Victoria coming out of the pandemic. Even early days, we knew the importance that our sector would be economic growth and liveability into the future.

It was a really inclusive process that I think at the time provided some relief in a way that, we were spending some time in the strategic space, while also dealing with a really heavy here and now operational load to keep the sector open and buildings being built to the safety standards and compliance standards required.

IV Yes, it's incredibly fascinating, Sue, hearing you talk about the importance of connecting in with all those different stakeholders, but also allowing the space for the strategic discussions to happen. I think particularly when there's something like COVID occurring, we can be so stuck in that operational reactive mode, it becomes difficult to step out.

IE It was energising to be, we had fantastic participation from our people, from industry stakeholders, at a time when everyone was really incredibly busy, but also worried. Worried about their families. Worried about their communities. Worried about their jobs and the sector as a whole. It became this sort of light on the hill, that really enabled us to get energy from the process and take us out of the operational.

IV We're coming up to around about a year since your strategic plan has been launched. How have you found that has bolstered you when, during and coming out of COVID, the building industry in particular has faced so many ongoing repercussions and shocks?

IE Yes, absolutely. It's been a challenging time. There was increased activity, which had its own challenges. Then all of the supply chain issues and access to skilled labour, that's off the back of a sustained growth period. We can't forget what went on there. It wasn't just activity driven by stimulus packages through the pandemic, and the disruption. The industry had this really long period of sustained growth for decades. I think it really showcased the industry as a whole. Its resilience in the face of disruption to those traditional business models.

 I think, for us and for industry as the stimulus ended, and the residential building demand, probably came back to more of a normal cycle, it really gave us something to all get around and focus on in terms of, we now had a strategy for building regulation and Victoria, is the outcomes that we all agreed on. We could get really focused on what success looked like at the end. Our focus for the conversation was, how do we get there? How does the regulator change and evolve to deliver and achieve those outcomes?

 Of course, we can't do that in isolation of our other regulatory partners, but also working with industry. It's really framed everything we do. The clarity of what we're trying to achieve. And that buy-in to what success looks like, really has helped us with our relationships in support of the sector coming out of COVID. It's also helped really focus our people around what matters and that really critical role that we have in compliance and building safety.

 I think it's been a focus, a focus that’s just gotten embedded within us. And now, again, energised. I think it energised our people about something positive to look forward to and we have to work harder. It's not as we said, it's an ambitious strategy that requires us to really reform ourselves to a better practice state in everything that we do, so important frame for our people.

IV Have you found any ways to track progress as a way to maintaining that momentum and energy we've spoken about through the development of the strategic plan?

IE We do have an outcomes evaluation framework, under finalisation. We've developed the framework and we're just building out the measures. We had that that piece about do you hold the strategy off and wait for the evaluation mechanism, or do you use strategy, start embedding it, and then deal with the messages as soon as you can after that?

 We obviously made the choice to go the latter because we thought it was important to get to get on with it. I think that's been the right call for us. I see it's earlier success and hearing my people use the language and know how they fit into it. And actually, people who come and work with us say, we've never been somewhere where people really understand the strategic direction, and they see their role in that. So, to me, that's my anecdotal, as you said before, it's framing decisions. The measurement is about to come forward, that will then obviously measure over beyond 2027, though somewhat pragmatic way of just getting on with it.

IV Yes, absolutely. I think hearing it in the way people are talking about their work is such a good sense check on whether or not it has truly cascaded to every level within an organisation. Sue, if you were sharing a forum with other public purpose leaders, how would you communicate three top tips to them on how to ensure their strategic plan is fully embedded, and they can hear that people talking about it may decisions against it, and it guiding the action that organisation takes moving forward?

IE First of all, I would say never put it off. When we started the process, probably some of our own people, but some of our stakeholders are like, why now? I think in the middle of a challenging environment or a crisis, if we want to call it, don't underestimate the power of positivity, to have something to look forward to. I feel that, having done it when we did it, maybe we got a better strategy than if we hadn’t of been in some point of significant disruption.

 Back your people. Back your engagement. Focus on doing it now, if that's a time that’s right for you. We did nearly a year, probably just under a year of consultation, Our people’s input into the strategy is very visible for them. I think also for many of our stakeholders. I think that my tip is take the time and go put in your consultation because we actually have a strategy now that it's not sitting on the shelf. We have a strategy where everyone understands what it is, their role in it.

 So, that buy-in, I think, is their most critical tip because it just enables you to accelerate through those early stages of implementation, and that's really what makes our vision 27 come to life and deliver for Victorians. I think that what you do before you deliver the strategy, when you do it. I see people every day sometimes they're just walking past the corridor. Now that people are back in their office and you hear people talking, how does this fit into vision 27? That critical thinking, that purpose, or enthusiasm embracing the strategy just means it's living in their work.

 When you do strategy work, you're always worried about is this going to become a poster that sits on the wall and never gets lived? I know our board was really focused on that, but that's not what we wanted and I didn't want it either. I think that the time we took and the depth of input we got and the iterations we did based on that feedback, have really mattered.

IV Yes, that's amazing. I love that quote. You just came out with there, Sue, maybe unintentionally, so don't underestimate the power of positivity.

IE And it’s fresh perspectives. I think the other thing, there were just so many different perspectives. We work with groups all the time. When you take that time to acutely listen and workshop, I know every person who contributed made a difference to our strategy.

IV You have been on a bit of transformation journey in the last few years at VBA, talking about transformation. This was focused around creating a green channel. We can see this approach certainly mentioned throughout your strategic focus outlined in the strategic plan around being fair, firm and fast as a regulator. I'm interested to understand how you embarked on the journey to becoming more proactive as a regulator, maybe explaining a bit more about what the green channel it means to VBA and what it does, and how do you get to starting from the point of assuming most people do want to do the right thing when you're working in regulation.

IE Yes, great questions. I think the data shows us that most people want to do the right thing. We've got the vast majority of over 100,000 building permits issued each year. Nearly 500,000 compliance certificates last year, and 50,000 registered practitioners. The ratio we have of complaints and defect work, and that ends up, it's a really serious nature. It is a small percentage of people who don't go about their work in a way that promotes confidence. I think start from the data and use that as our basis.

 It’s also starting from that engagement. Practitioners tell me when I came here, we just want to know what to do, so tell us what the rules are. Tell us really clearly and we’ll comply to them. There's this overwhelming sense, there’s this request for information. I think that's human nature across many different industries. People want to know what the rules are and how to comply and get on and deliver great work.

For us, that was really just bringing that to life. I think when you're a regulator, part of your job here is in deterring others or people from not doing the right thing is a lot of outward facing communication is about how we've undertaken compliance activity. There can be a bit of a sort of a negative sentiment, so I think part of that strategically balances what we're actually aiming for to do.

 We want everyone in the building system, wherever you search, to deliver a positive outcome for Victorians and have the client, the consumer and their safety and quality of their buildings right at that forefront, so we're outcomes focused in relation to that. An enduring aspect is not just about at the build stage, it's for life stage. We've been focusing our regulatory efforts for some time now, on the efforts around that early intervention, on the awareness that we’re within a really complex system, having worked across a number of systems in government, building is pretty complex.

We've been trying to bring together the best experts, the best information, the best ways of sharing, and educating and informing our industry as we move through vision 27, to really focus their effort around the areas of greatest risk, and what good work, what compliance looks like. So, that was the green channel was get people in the green zone. Get people educated.

We've set up a really large-scale piece around a practitioner education series with thousands of practitioners tune in each year to get our knowledge, based on the insights we've had through our early intervention on building sites, or it might be the research work that we've done with others to get that knowledge transferred to them as quickly and seamlessly as we can, because we want those behaviours to be positive in terms of the quality and compliance of those that work.

IV Yes, absolutely. It seems like just really shifting your effort towards helping people do the right thing.

IE It's always a balance where we want to be. If we can have the rules clearly understood, and people are educated and competent to a level they need to be, then we don't have to spend as much time at the enforcement end, which is a win for everyone. We're very conscious that, as a self-funded regulator, our fees come from the industry. Our revenue comes from the industry. We want to use those resources to the best strategic advantages we can.

IV How do you think that green channel approach differs from other regulation approaches we may have traditionally taken across Victoria or even Australia?

IE I think regulation has been evolving. What we're doing sits under the better regulation principles developed by BRB and Victoria. I think it's been that evidence-based piece over time that people react less to punitive approaches and more to educative approaches. If we can get in early, we have a new code coming out this year, NCC 2022, which has been launched on the 1st May.

 If I think about the effort that the regulator put into the launch of that three years ago in 2019 to today, we've we're far more skilled. We've got far more capacity to try and get that good guidance material out early, so people can comply from day one.

 I think it's just a general better practice shift. It also reframes our organisation. It reframes us into one that educates and informs that’s our primary focus. That said, we won't hesitate if we need to, to discipline or penalise those who undermine confidence in the industry, if that's an appropriate thing to do. Generally speaking, human behaviour responds better to proactive education and early intervention and early advice. And our practitioner, we have an on the ground, early intervention inspection program that has been really ramped up in the last few years.

I think we used only do in 2017, just over 2000 inspections a year. Now, we're well over 10,000, 10 to 30,000. We've had really positive feedback from industry, welcoming our people, our inspectors and auditors onsite because industry want to see everyone operating to the same standard.

IV That's fantastic, those stats that you've seen around the early intervention. What's interesting about your reflections there is, it's not only a mindset shift internally for VBA, but a mindset shift with your critical stakeholders and builders in terms of how they're approaching inspectors when they are attending sites.

IE That's right. I think was one of our things we’ve worried about when people versus an inspector, how would they be treated? What would that environment be like for them? I've been really thrilled in the main with industries willingness to come on the journey, and get skilled, be the best they can be, so that cutting corners, and not understanding the rules, is not okay. It's not okay for anyone. It brings everyone down, our reputational damage. We understand collectively our role in the safety and quality of the built environment. But also, economic prosperity into the future. Getting everyone into that space about their contribution, keep the consumer at the heart. We all do a great job. We're going to really facilitate economic growth.

IV You were reflecting earlier that Australia does have a really complex building environment compared to many other jurisdictions. You also mentioned the better regulation principles that VBA is drawn from in recent years in order to create the green channel. Do you look internationally at any good practice that might be occurring there from other regulators? Where have you drawn insight and inspiration from to inform your regulatory craft?

IE Great question. We look far and wide in the early part of my joining in the VBA. We bought Malcolm Sparrow out to have sessions with all of our people. We work with research partners, all around Australia, universities, and other groups and internationally. We look obviously at building and planning regulation across Victoria. We've got a very strong network of regulators across the states and territories. We're intimately averse to what they are doing and what they are talking to us about is having positive impacts.

We've been working in supporting the expert panel here in Victoria, who is doing a review of the building system. We've had conversations with Dame Judith Hackitt in terms of her learnings, and a wealth of knowledge. I travelled with the Minister to the UK pre-COVID, where we also spoke to the insurers and other agencies and those involved and some of the Grenfell Inquiry.

We really do look far and wide about what works for us in Victoria. We are administration or what are called operationalisation of regulations. We don't hold a policy function. To get policy or regulatory change, we need to work through the department. And so obviously, that relationship is really critical for us in being able to share our technical expertise, but also our research data and insights from other places.

Definitely, always reaching out and looking at others, and not just building regulation. Looking, working, and looking more about what's happening, for instance, in the EPA, and their policy changes and how effective that is, or WorkSafe, in safety regulation and how they go about it, and the levers they use. A lot of lot of our time is spent trying to harness the best from elsewhere.

IV The one theme that's emerging a lot for me is around proactiveness be that through setting your strategy, or even through your regulation approach, being a proactive regulator. What's one tip you'd give to other public purpose organisations to help them become more proactive? What guidance would you give?

IE I think you know the mindset of people want to do the right thing, and that they actually do want to act with a high level of professionalism and integrity is a good place to start. The things that go wrong and those who undermine the confidence in the industry, it can get all consuming. I think if we use the evidence and data, lift ourselves up to the bigger picture and look up and beyond, I think it's an easier, not easier, it’s more effective to focus on positivity and draw the sector forward with positivity and support.

 It's one of the things the industry talks most to me about how hard they find it to read articles and media statements from us about those that have done the wrong thing, because that's not their experience of the industry. And that said, it's also important to shine the light on as a deterrent sometimes because it’s important that we acknowledge those things around some of those individual outcomes that consumers have, when things go wrong, is really troubling for them and for us.

IV Thank you so much again, Sue, for taking the time to speak to us today. We really appreciate your insights. And we hope you had a great time on Cube’s From all sides podcast.

IE Thank you so much for the opportunity and lovely to have the chat.

IV Our guest today has been Sue Eddy, the Chief Executive Officer of the Victorian Building Authority. At Cube, we would like to recognise the Wurundjeri people of the Kulin nation as the traditional owners on the lands on which Cube is based.

 If you'd like to know more about our conversation today, please visit our website at cubegroup.com.au where you’ll find show notes, additional links and can download a transcript of this conversation. Whilst you're there, you can find out more about Cube Group, our case studies and learn about our team and our work as a purpose driven consultancy. I’d encourage you to subscribe to our podcast From all sides on Apple, Spotify and wherever you get your podcasts. Thanks again for listening.

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