**Queensland**

**Building and Construction Commission**

**Annual Report**

**2020-2021**

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**About this report**

This report summarises the activities and performance of the Queensland Building and Construction Commission (QBCC) for 2020-2021 against key business objectives and targets as set by the Queensland Building and Construction Board (Board), the Government’s objectives for the community and the QBCC 2020-2024 Strategic Plan. The report reflects the QBCC’s commitment to effective corporate governance through openness and accountability, and provides an account of our revenue and expenditure.

This is the QBCC’s eighth annual report since its commencement on 1 December 2013. The previous annual reports are available on our website at [www.qbcc.qld.gov.au](http://www.qbcc.qld.gov.au)

**Interpreter service statement**

The QBCC is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you experience difficulty in understanding the annual report, you can contact us on 139 333 and we will arrange an interpreter to effectively communicate the report to you.



**Enquiries**

Readers are encouraged to download the report online at [www.qbcc.qld.gov.au/about-us/our-performance](http://www.qbcc.qld.gov.au/about-us/our-performance).

Where this is not possible, printed copies are available using one of the contact options below.

299 Montague Road West End Qld 4101 or locate a regional service centre [www.qbcc.qld.gov.au/locate-office](http://www.qbcc.qld.gov.au/locate-office). Addresses are also available on page 9 of this report.

T: 139 333

E: [info@qbcc.qld.gov.au](mailto:info@qbcc.qld.gov.au)

For more information on any of the initiatives or services mentioned in this report, visit the QBCC’s website at [www.qbcc.qld.gov.au](http://www.qbcc.qld.gov.au)

**Acknowledgment of Country**

The QBCC respectfully acknowledges the Traditional Custodians of the lands on which we work. We pay our respects to their Elders past, present and emerging.

The QBCC is dedicated to advancing reconciliation across our spheres of influence by encouraging learning, supporting diversity in our workplace and workforce, and understanding and respecting the diversity and traditions of Aboriginal and Torres Strait Islander communities, which will reflect the wider Australian community.

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# Letter of Compliance

7 September 2021

The Honourable Mick de Brenni MP

Minister for Energy, Renewables and Hydrogen and

Minister for Public Works and Procurement

1 William Street

Brisbane Qld 4000

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2020-2021 and financial statements for the Queensland Building and Construction Commission.

I certify that this Annual Report complies with:

* the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2019*,* and
* the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements is provided at page 105 of this Annual Report.

Yours sincerely

R. L. Williams

Chair

Queensland Building and Construction Board

# About us

**Our role**

The Queensland Building and Construction Commission (QBCC) is Queensland’s building and construction regulator. Our mandate is to independently regulate the building and construction sector, and efficiently manage the Queensland home warranty insurance fund (the Queensland Home Warranty Scheme).

We are an independent statutory body established under the *Queensland Building and Construction Commission Act 1991* (QBCC Act) governed by the Queensland Building and Construction Board (Board). Our responsible Minister is the Honourable Mick de Brenni MP, Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement.

Led by a Commissioner, our vision is “to be a regulator that builds trust and confidence in all we do”. Our overarching strategies contribute to the Queensland Government’s Objectives for the Community, with a focus on‘Supporting jobs’, ‘Building Queensland’, and ‘Backing small business’.

### Our Strategic Plan

The QBCC 2020-2024 Strategic Plan, which this Annual Report pertains to, lays out four strategic objectives, associated strategies, and the performance measures which we use to ascertain if we are achieving the objectives. A further discussion of our performance is contained in the following chapters of this Annual Report. Our Strategic Plan also details the risks that could hinder achievement of our objectives, and the opportunities that could assist us in achieving them. The Strategic Plan makes it clear that our staff matter and commits us to always putting the welfare of our people at the forefront of all we do.

The QBCC 2020-2024 Strategic Plan can be downloaded at www.qbcc.qld.gov.au/about-us/our-priorities.

# QBC Board Chair’s message

It is both unexpected and dismaying that I am starting a second consecutive Chair’s Message for the QBCC Annual Report by referring to the negative influence that the COVID-19 pandemic continues to have on the building and construction industry.

The pandemic has not discriminated against industries or nations, and the QBCC continues to work hard to overcome the challenges it presents.

The other current major challenge for construction industries around the world is an unprecedented demand for materials and labour and a resulting shortage of both.

In Queensland, this has resulted from a ‘perfect storm’ of events that include significantly increased interstate migration to our State, government financial incentives to stimulate construction, and home owners undertaking building projects when they are unable to undertake other activities, such as travel.

Amidst these challenges, the resilience and positivity of the people who work in Queensland’s building and construction industry continue to impress and inspire.

Similarly impressive are the efforts of the QBCC’s staff, who continue to deliver wins for our licensees and the home and property owners who contract with them.

I want to take this opportunity to thank all our staff across all of our offices for their work during the past year.

The QBCC’s Customer Feedback Framework saw a 33 per cent increase in compliments for the organisation and a 17 per cent decrease in complaints. I believe that this statistic accurately reflects the high quality of the QBCC’s work.

Meanwhile, home owners have continued to be protected by the QBCC-administered Queensland Home Warranty Scheme, the nation’s only first-resort home warranty scheme.

In 2020-2021, the QBCC processed 168,468 insurance policies for residential construction work, and approved $31.3 million in insurance claim costs under the scheme. This included $16.6 million for defects claims, $9.9 million for non-completion claims and $4.8 million for subsidence claims. That translated to about 98 per cent of claims being fully compensated under the scheme.

In positive news for subcontractors and suppliers, the QBCC helped creditors recover about $3.87 million in outstanding debts in 2020-2021.

Separate to these outcomes, 187 adjudication decisions worth $37.5 million were released to claimants through the Adjudication Registry, which was established to help workers to get paid when payments are disputed.

The Queensland Building and Construction Board has not been distracted from helping to support one of Queensland’s most important industries, despite the challenges confronting us.

I want to thank my colleagues on the QBC Board for their work in helping to ensure the QBCC has maintained its focus on its core regulatory role.

In the year ahead, we will continue to work hard to support our industry and the people working in it, as well as home and property owners.

We will also do everything we can to ensure that the QBCC’s staff are well prepared and strongly supported to meet any challenges that might arise in the year ahead.

R. L. Williams

Chair

Queensland Building and Construction Board

# Commissioner’s foreword

Despite the challenges posed by the COVID-19 pandemic and the booming building and construction industry, the QBCC has continued to demonstrate our ability to adapt to the rapidly evolving needs of industry participants and home owners.

This agility has helped to sustain our industry, which is one of the greatest contributors to our State’s workforce and economy.

QBCC frontline staff have continued to provide face-to-face support and advice to our customers across the State. Meanwhile, our other personnel have ensured that our regulatory, licensing, insurance and other functions have continued amidst the disruptions created by the pandemic and construction boom.

I want to take this opportunity to thank our staff for their efforts to continually deliver for our stakeholders during these uncertain times.

In the 2020-2021 financial year, we continued to help industry participants to get paid for the work they do, and to help ensure that Queenslanders were kept safe in the structures where they work, live and congregate.

The *Building Industry Fairness (Security of Payment) Act*, reforms to the QBCC Act and Minimum Financial Requirements (MFR) regulations have benefitted industry participants and given home owners reassurance about the financial wellbeing of the people they contract with.

Under the MFR regulations, we have taken action against those small minority of licensees who failed to lodge their mandatory financial reports. This has ranged from applying ‘no new work’ conditions to licenses, to suspending and/or cancelling licenses.

I spoke above of our efforts to help keep Queenslanders safe.

This is especially evident in our work through the Safer Buildings program and the Non-Conforming Building Products (NCBP) system.

The program has helped to identify which privately owned buildings may have dangerous cladding and those which require further investigation and possible rectification to ensure they are safe.

We have also continued to enforce NCBP laws to ensure building products are safe, compliant and capable of performing to the standard that they are represented to perform to.

As always, the QBCC is looking ahead, preparing for the challenges that might await us in the next 12 months, rather than glancing behind us at those that we have already overcome.

I have no doubt that we will continue to serve with the agility and dedication that has seen us deliver positive results for industry participants and home owners throughout one of the most challenging periods for our industry.

Brett Bassett

Commissioner

Queensland Building and Construction Commission

# Our structure

The QBCC’s management structure chart identifies the key figures within the organisation and their areas of responsibility as at 30 June 2021.

**MINISTER FOR ENERGY, RENEWABLES AND HYDROGEN AND MINISTER FOR PUBLIC WORKS AND PROCUREMENT**

The Honourable Mick de Brenni MP

**SERVICE TRADES COUNCIL**

(see page 36)

**QBC BOARD** (see page 6)

**COMMISSIONER**

Brett Bassett

The Commissioner is responsible for the overall management of the QBCC and all its functions. The Commissioner is also the Executive Officer of the Queensland Building and Construction Employing Office which employs staff for the QBCC.

**CHIEF STRATEGY AND TRANSFORMATION OFFICER**

Julie Barsha

**ADJUDICATION REGISTRAR**

Cheriden Farthing

(on secondment)

(Steve Barclay is acting in this position)

**CHIEF LEGAL OFFICER**

Glenn Lennon

**CHIEF**

**HUMAN RESOURCE OFFICER**

Julie Campbell

**CHIEF INFORMATION OFFICER**

Jeremy Janes

**ASSISTANT COMMISSIONER**

**(Technical)**

Vacant

**ASSISTANT COMMISSIONER**

**(Service Trades and Regulatory)**

Kate Raymond

**CHIEF FINANCIAL OFFICER**

Ian Wright

The Assistant Commissioner (Service Trades and Regulatory) oversees the delivery of QBCC’s regulatory functions including licensing, investigations, compliance and enforcement, disputes and financial requirements. This includes representation on the Service Trades Council.

The Adjudication Registrar is responsible for managing the Adjudication Registry which oversees a statutory process for the resolution of payment disputes in the construction sector.

The Chief Legal Officer leads the Legal Services Division that provides internal legal advice and represents the QBCC in legal proceedings. The Division includes areas that reviews internal decisions, manages complaints and oversees QBCC’s records and Right to Information functions. The role also provides strategic legal advice to the Board, the Commissioner and the Executive Team.

The Chief Human Resource Officer leads the Human Resources Team and is responsible for the Human Resources, Learning and Development, and Workplace Health and Safety functions. The role ensures that the QBCC is a contemporary workplace and that the division works to support an engaged and high-performing organisation.

The Chief Financial Officer leads the Financial Services Division, comprised of Finance, Procurement and Insurance Scheme Management including Claim Recoveries and Underwriting. The role is focused on delivering a strong net asset position and the long-term financial sustainability of the QBCC.

The Chief Information Officer leads the Information Services Division, which delivers critical information, and communication services to internal staff and to the QBCC’s customers. The division also manages the facilities used by the QBCC.

The Assistant Commissioner (Technical) oversees the QBCC’s functions that contribute to the delivery of QBCC’s regulatory functions, including licensing, investigations, compliance and enforcement, non-conforming building products, industry quality, and the Safer Buildings program.

The Chief Strategy and Transformation Officer leads the Strategy and Transformation Division.

The division provides services such as strategy, transformation, portfolio delivery, policy and legislation, industry skills, planning and performance management, risk, assurance, governance, analytics, and reporting. The division is also responsible for facilitating the *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020* implementation for the QBCC.

## Our Board

As at 30 June 2021

**R. L. Williams (Chair)** – Appointed 1 December 2019

The QBC Board Chair, R. L. Williams, has served as Company Secretary and Director of Future Skills Limited, a recognised training organisation, since 2009. Mr Williams has also worked as Company Secretary and Director of Connect Assess Australia Limited (trading as Future Skills International) since 2011 and Future Skills Management and Consulting since its inception.

Mr Williams has in the past served as Director and Trustee with Energy Super; and as a member of Energy Super’s Audit and Risk, Membership Services, Investment, Remuneration and Governance Committees; He has also served as a Director of Construction Skills Queensland; Energy Skills Queensland and is a past member of the Electrical Safety Board, and is currently conducting a review into the *Electrical Safety Act 2002* and Electrical Safety Regulation 2002. He was ALP Queensland State President from 2012 to 2016 and is a former State Secretary of the Electrical Trades Union of Employees Queensland.

**Michelle James (Deputy Chair)** – Appointed 1 December 2019

*LLB (Hons), GAICD*

The QBC Board Deputy Chair, Ms James, is a Principal and Director with law firm Maurice Blackburn. She has over 20 years’ experience in personal injuries litigation and significant experience advocating for the rights of injured people, particularly survivors of child sexual abuse, heading up Maurice Blackburn’s national Abuse Law practice. She has authored submissions to, and appeared before, numerous State and Federal Parliamentary and Senate Committees in relation to matters impacting injured people and survivors of child sexual abuse.

She has expertise in organisational leadership and governance, and is an advocate for inclusion and diversity in governance. Ms James was the first woman President of the Australian Lawyers Alliance in Queensland, and is now a national Director. She was the 2013 Recipient of the Queensland Law Society Agnes McWhinney Award, and is a Queensland Law Society Accredited Specialist.

**Lesley Anderson** – Appointed 1 December 2019

*B.Com (Hons), M.Ec (Hons), GAICD*

QBC Board member, Ms Anderson, is an economist with experience in government policy, regulation and long-term liability insurance. Her most significant regulatory role was as Queensland’s Insurance Commissioner for Motor Accident Personal Injury Insurance from 1996 to 2007. Other roles include her early career with the Reserve Bank of Australia, and more recently with the Northern Territory Insurance Office.

Ms Anderson was a member of the Board of the National Injury Insurance Agency Queensland from 2017 to 2021 and served as a director of Ports North (Far North Queensland Ports Corporation) and as Chair of its Audit Committee from 2009 to 2012. She has also served on boards of not-for-profit organisations providing social assistance programs.

**Andrew Hickman** – Appointed 1 December 2019

QBC Board member, Mr Hickman, is the CEO of FVS Services Group Pty Ltd and President of the National Fire Industry Association. He holds several high-level positions within other companies and organisations. He brings a wealth of experience to the Board including skills in change leadership and management, negotiation and strategic and solution based thinking.

**Jade Ingham** – Appointed 1 December 2019

QBC Board member, Mr Ingham, is the CFMEU Assistant Divisional Branch Secretary, Qld/NT. He also holds the position of National Divisional President of the CFMEU – Construction & General Division. The CFMEU is the principal construction union in Australia, representing workers in respect of employment and other social justice matters.

Mr Ingham started as a full time official with the CFMEU in 2004 as an organiser and has worked in all sectors of the industry. He currently has responsibility for training and coordination of construction organisers, negotiation/implementation of enterprise agreements and implementing strategic policy initiatives. He is currently a Director on the Building Employees Redundancy Trust (BERT).

**Brett Schimming**– Appointed 1 December 2019

*MBA, M.PA, B.Ed, FAICD, FAIM*

QBC Board member, Mr Schimming is the Chief Executive Officer of Construction Skills Queensland. In this role, he initiates and leads partnerships with industry, government, employers, unions, educators, trainers and associations to develop initiatives and programs to grow the skills base and capacity of Queensland’s building and construction industry workforce. Mr Schimming has qualifications in education, business and public policy and many years of experience managing training and education organisations. He has served on multiple State and national committees and company boards, and is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors. Mr Schimming is Queensland’s representative on the Australian Industry Skills Committee.

**Robert Schwarten** – Appointed 1 December 2019

Mr Schwarten was Minister for Public Works and Housing from 1998 until 2009, with Information and Communication Technology added to his portfolio in 2006. He retired as Minister for Public Works and Information and Communication Technology in 2011 and from Parliament at the 2012 Queensland election.

Mr Schwarten took over responsibility for the then Queensland Building Services Authority in 2001.

As Minister for Public Works and Housing, he had responsibility for the construction industry for more than a decade.

He commenced his working life in the construction industry, working for his building contractor father before completing an education degree.

He holds the honorific, The Honourable, vested in him by the Governor in Council following his retirement from the ministry and was awarded an honorary doctorate by Central Queensland University in 2006.

Mr Schwarten was the member representing Rockhampton for more than 20 years.

**Debra Johnson** – Appointed 1 December 2019

*FAICD*

Ms Johnson is a licensed builder and building designer in Queensland. In 1987 she established a design, building and consultancy business on the Sunshine Coast which she successfully operates today.

Her passion for the business, her community and the development industry has been evident throughout her career.

Joining the Housing Industry Association (HIA) 25 years ago, she became heavily involved in various regional and national committees and was appointed the Queensland President of HIA in 2013. Since then, she has become a Fellow with the Australian Institute of Company Directors and an Adjunct Industry Fellow within the School of Social Science at the University of the Sunshine Coast. In 2016 she was appointed to the Board of Architects in Queensland and in 2017 Debbie was elected as a Director on HIA’s National Board. Recently she has been elected the National Vice President for HIA where she currently chairs the Board’s Asset Committee and is the Board’s representative on HIA’s National Technical Committee.

**Cath Brokenborough** – Appointed 1 December 2019

*BA, Dip WHS, Dip Environmental Construction Management, TAE Workplace Training and Assessment, GAICD*

Ms Brokenborough is a proud Wiradjuri woman living on Quandamooka Country in the Southern Moreton Bay Islands. She has 30 years of construction and property industry management experience including construction, risk, environment, heritage and safety management; and development and delivery of construction skills courses.

She is the Chair of the Australian Indigenous Leadership Centre and has previous Board experience with the NSW Government Building and Construction Industry Long Service Leave Corporation.

Ms Brokenborough is also involved in advancing the national conversation on reconciliation and the constitutional recognition of Australia’s First Nations peoples. This includes driving change in construction and property industry practices to better engage and employ First Nations people and businesses.

**Meg Frisby** – Appointed 1 December 2019

*LLB*

QBC Board member, Ms Frisby, is a lawyer by profession and is the Director of Meg Frisby Consulting, a stakeholder relations and business development consultancy based in North Queensland. Ms Frisby specialises in working with local councils, indigenous organisations and SMEs.

She has extensive private and public sector experience having worked in the legal field as a lawyer, a Chief of Staff in State and Local Government and in the resources sector as a Stakeholder Relations Specialist. Ms Frisby has served on boards of not-for-profit organisations predominantly in the legal and social services sector.

## Our reach across Queensland

The QBCC offers customer, regulatory services and corporate services through eight service centres located across Queensland, and two Brisbane offices located in West End.

Where to find us in the regions

**Gold Coast** *Robina Super Centre, Suite 26, 86 Robina Town Centre Drive, Robina Qld 4226*

*Manager:* Shane Murphy

*Active QBCC licensees:* 11,670

**Toowoomba** *200 Hume Street, Toowoomba Qld 4350*

*Manager:* Jenny Phillips

*Active QBCC licensees:* 5,855

**Sunshine Coast** *6 Pikki Street, Maroochydore Qld 4558*

*Acting Manager: Dani Benstead*

*Active QBCC licensees:* 10,482

**Maryborough** *302 Alice Street, Maryborough Qld 4650*

*Manager:* Daniel Stephensen

*Active QBCC licensees:* 3,919

**Rockhampton** *194 Alma Street, Rockhampton Qld 4700*

*Manager:* Edward Goodsall

*Active QBCC licensees:* 2,840

**Mackay** *Tenancy 2, 42 East Gordon Street, Mackay Qld 4740*

*Manager:* Peter Graham

*Active QBCC licensees:* 2,599

**Townsville** *Unit 2, 22 Hervey Range Road, Thuringowa Central Qld 4817*

*Manager:* William Piper

*Active QBCC licensees:* 3,907

**Cairns** *104 Mulgrave Road, Parramatta Park, Qld 4870*

*Manager:* William Courtney

*Active QBCC licensees:* 5,231

# Our performance

The following section highlights our performance against the four objectives within the QBCC Strategic Plan 2020-2024.

## Objective 1: Promote quality, safety, security of payment and licensee sustainability

Company insolvencies, non-payment of subcontractors, illegal phoenixing activities, safety incidents at worksites and at pools, along with potential harm from non-conforming building products, pose significant threats to the confidence of the building and construction industry. This objective seeks to deal with these issues through the delivery of four strategies. These are:

* Early detection – we use insights and risk-based regulatory models to focus on the greatest risk areas for the sector
* Responding effectively – we will mobilise our resources to respond appropriately
* Work collaboratively – we work with other regulators and agencies to help maintain the probity and integrity of the sector
* Industry awareness – we deliver sector-wide education and engagement activities.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 1: Objective 1 performance measures | | | |
| **Supporting measures** | **Target** | **Actual** | **Comments** |
| **Percentage of compliant pools with valid pool certificates across residential, rental and short-stay properties** | | | |
| Qualitative statement | The QBCC’s activities around its regulatory activities are described in this chapter. | | |
| **Percentage year-on-year decrease in non-conforming building products (NCBP) that have potential to cause significant risk and harm being used on active building sites** | | | |
| Qualitative statement | The QBCC’s activities around its regulatory activities are described in this chapter. | | |
| **Reduction in non-compliance evidenced by approved audit programs** | | | |
| Qualitative statement | The QBCC’s activities around its regulatory activities are described in this chapter. | | |
| **Year-on-year increase in compliance with minimum financial requirements** | | | |
| Qualitative statement | The QBCC’s activities around its regulatory activities are described in this chapter. | | |

### Security of payment for subcontractors

In 2020-2021, the QBCC continued its implementation of key programs which help to ensure subcontractors can be confident they will be paid for the work they do. These included:

* implementing legislative changes brought about through the passing of the *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020* (BIFOLA) to ensure a safer, fairer and more sustainable building and construction industry
* continuing with financial audits and other activities that help ensure licensees are complying with their minimum financial requirements.

Activities under the Minimum Financial Requirements

As at 30 June 2021, 100 per cent of category 4-7 licensees lodged annual financial information with the QBCC under the new annual reporting requirements. The QBCC issued 42 show cause notices for suspected non-compliance with minimum financial requirements, two licence suspensions and zero licence cancellations. The QBCC also imposed licence conditions on nine licensees for failure to lodge the required financial information on time.

Ninety-nine-point-nine per cent of licensees belonging to categories 1-3 had lodged their annual financial information as at 30 June 2021. The QBCC issued 48 show cause notices for suspected non-compliance with minimum financial requirements to licensees in categories 1-3, and suspended two licences for this reason. The QBCC also imposed licence conditions on 664 licensees in categories 1-3 for failure to lodge the required financial information on time, resulting in 146 licences being suspended and 83 being cancelled.

Approximately 83 per cent of licensees belonging to categories SC1 and SC2 had lodged their annual financial information as at 30 June 2021. The QBCC is taking targeted compliance action in respect of these licensees, and lodgement rates have improved over the previous year as a result.

The QBCC’s activities to date under the annual reporting requirements have resulted in the net tangible asset positions of category 4-7 licensees in Queensland improving by over $1.3 billion.

Financial audits and monies-owed investigations

During the financial year, the QBCC undertook 238 financial audits of licensees. The QBCC also conducted 282 non-payment of debts investigations, leading to 34 licence cancellations and 66 licences being suspended. Two licences were immediately suspended for breaching minimum financial requirements.

The QBCC assisted creditors to recover approximately $3.87 million in outstanding debts in the reporting period. The cumulative amount recovered since the commencement of the minimum financial requirements policy on 10 October 2014 to 30 June 2021 was approximately $38.96 million.

The QBCC Act establishes a framework for excluding individuals from holding a contractor licence, nominee supervisor licence, site supervisor licence, or being in an influential role in a licensed company where the individual has been involved (in specified circumstances) with a financial failure. The QBCC excluded 137 individuals due to their involvement in a financial failure during the financial year. Of this number, 58 were licensees who had their licence cancelled. There were also 10 individuals permanently excluded due to their involvement in a second financial failure.

The QBCC may also exclude a company from holding a contractor licence if it has an excluded individual who is a director of, secretary of, or an influential person for the company. There were 20 companies excluded from holding a licence during the financial year.

Reporting on the *Building Industry Fairness (Security of Payment) Act 2017* (Chapter 3) and the Adjudication Registry

Section 157 of the *Building Industry Fairness (Security of Payment) Act 2017* (BIF Act) provides that the Commissioner must report on the operation of the BIF Act (Chapter 3) and the Adjudication Registry, and provide forecasts and recommended improvements for the registry.

**Offence provisions under Chapter 3 of the BIF Act**

Chapter 3 of the BIF Act includes offence provisions under sections 75 (Making payment claim), 76 (Responding to payment claim), 88 (Adjudicator’s decision), 90 (Respondent required to pay adjudicated amount), and Parts 4A (Payment withholding) and 6A (Charge over property). Section 104A of the QBCC Act provides our investigators with powers to investigate, monitor and enforce compliance with the BIF Act.

The below summarises activities that occurred in this area in 2020-2021:

* initiated 149 cases for breaches of section 76 and closed 154 cases, including cases carried over from the previous year. The QBCC issued 56 penalty infringement notices for contraventions of Section 76
* opened two cases for offences of section 88 and closed two cases
* issued 37 penalty infringement notices for contraventions of Section 90
* issued 10 warnings for Section 90 and Section 76
* investigated 18 cases for Information Sharing under Chapter 2
* investigated one case for Related entities under Section 24
* investigated one case for Ending Project Bank Accounts under Section 21.

To date, there have been no cases for offences under Part 4A, and Part 6A of the BIF Act.

Adjudication Registry

The Adjudication Registry (Registry) is established under the BIF Act. The main purpose of the BIF Act is to assist people working in the building and construction industry to be paid for the work they do. Adjudication contributes to achieving this purpose by providing a quick and cost-effective means of dispute resolution.

Adjudication applications

The table below outlines the total number of adjudication applications received by the Registrar for the period 1 July 2020 to 30 June 2021. The BIFOLA reforms amended various sections of the BIF Act, including the definition of a ‘complex’ claim. Section 64 was amended to include that the total value of the payment claim, which may or may not include GST, determines whether a claim is a standard payment claim (i.e. total value of $750,000 or less) or a complex payment claim (more than $750,000). This definition impacts the timeframes that a respondent may have for providing an adjudication response.

**Table 2: Number of adjudication applications received for 2020-2021**

|  |  |
| --- | --- |
| **Adjudication application type** | **Total** |
| Standard\* (less than $750,000) | 253 |
| Complex\* (greater than $750,000) | 25 |
| **Total number of applications** | **278** |

\* The distinction between Standard and Complex claims changed partway through the year, which may affect year-to-year comparisons.

The table below outlines the total amount claimed from the 278 adjudication applications received by the Registrar for the period 1 July 2020 to 30 June 2021.

**Table 3: Adjudication claimed amount for 2020-2021**

|  |  |
| --- | --- |
| **Total value of claims** | **$114,926,171** |
| Maximum claim | $17,881,594 |
| Minimum claim | $288 |
| Average claim | $413,403 |

Adjudication Decisions

A registered adjudicator is an independent person qualified to determine payment disputes under the BIF Act. The table below sets out adjudicator registration and renewal applications for the period 1 July 2020 to 30 June 2021.

Table 4: Adjudicator registrations and renewal applications for the period 1 July 2020 to 30 June 2021

|  |  |  |
| --- | --- | --- |
| **Application type** | **Number** | **Fees paid** |
| Registration | 19 | $15,758 |
| Renewal | 42 | $24,953.75 |

Of the 278 adjudication applications received, a total of 251 were referred to an independent registered adjudicator for determination. The table below sets out the number of adjudication decisions released by registered adjudicators for the period 1 July 2020 to 30 June 2021.

Table 5: Number of adjudication decisions released by registered adjudicators in 2020-2021

|  |  |
| --- | --- |
| **Decision type** | **Total** |
| Standard\* (less than $750,000) | 169 |
| Complex\* (greater than $750,000) | 18 |
| **Total number of decisions released** | **187** |

\* The distinction between Standard and Complex claims changed partway through the year, which may affect year-to-year comparisons.

The table below sets out the total amounts awarded by adjudication decisions released for the period 1 July 2020 to 30 June 2021.

Table 6: Adjudication decisions released

|  |  |
| --- | --- |
| **Total value of claims - decisions released** | **$82,254,751** |
| Maximum claim value - decision released | $17,881,594 |
| Minimum claim value - decision released | $550 |
| Average claim value - decisions released | $439,865 |
| Total value of adjudicated amount - decisions released | $37,503,111 |

The tablebelow sets out the total value of claims and amounts awarded by adjudication decisions released for the period 1 July 2020 to 30 June 2021, broken down by region.

Table 7: Total amounts awarded by adjudication decisions released in 2020-2021 - broken down by region

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Decisions by region** | **Number of applications made to the Registrar** | **Total value of claims** | **Number of decisions released** | **Total value of adjudicated amount** |
| Brisbane | 197 | $94,387,323 | 120 | $30,896,110 |
| Cairns | 5 | $818,262 | 3 | $262,435 |
| Gold Coast | 23 | $4,173,266 | 21 | $1,821,777 |
| Mackay | 6 | $566,108 | 5 | $148,316 |
| Maryborough | 6 | $2,096,976 | 4 | $1,876,715 |
| Rockhampton | 6 | $450,061 | 4 | $354,826 |
| Sunshine Coast | 17 | $5,727,913 | 13 | $1,153,418 |
| Toowoomba | 9 | $3,443,419 | 9 | $678,528 |
| Townsville | 9 | $3,262,843 | 8 | $310,986 |
| **Total** | **278** | **$114,926,171** | **187** | **$37,503,111** |

The table below sets out the average number of business days from application to decision for the period 1 July 2020 to 30 June 2021.

Table 8: Average number of business days from application to decision

|  |  |  |
| --- | --- | --- |
|  | **Standard\*** | **Complex\*** |
| Maximum | 50 | 71 |
| Minimum | 9 | 25 |
| Average | 21 | 46 |

\* The distinction between Standard and Complex claims changed partway through the year, which may affect year-to-year comparisons.

**Adjudication application fees**

Under the BIF Act, an application for adjudication must be accompanied by the prescribed fee. For the period 1 July 2020 to 30 June 2021, the prescribed application fee ranged from $59.70 for payment claims of no more than $10,180, to a percentage of the claimed amount for payment claims of more than $1,109,188.35 (capped at $5,972.30). The total value of adjudication application fees for applications lodged between 1 July 2020 and 30 June 2021 was $124,324.41.

The table below sets out the adjudication application fees and also represents the fees as a percentage of the average total claimed amount for the period 1 July 2020 to 30 June 2021.

Table 9: Adjudication application fees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Claim value [[1]](#footnote-2)** | **Number of applications made to the Registrar** | **Average application fee** | **Average total claimed amount** | **Average application fee as a percentage of average total claimed amount** |
| $0 - $10,180 | 79 | $59.70 | $4,730 | 1.26% |
| $10,180 - $50,900 | 82 | $179.10 | $26,071 | 0.69% |
| $50,900 - $101,800 | 27 | $298.55 | $75,229 | 0.40% |
| $101,800 - $254,500 | 36 | $418.10 | $174,914 | 0.24% |
| $254,500 - $509,000 | 19 | $537.45 | $349,487 | 0.15% |
| $509,000 - $763,500 | 11 | $656.90 | $627,438 | 0.10% |
| $763,500 - $1,109,188.35 | 6 | $776.35 | $974,098 | 0.08% |
| > $1,109,188.35 | 18 | $2,871.82 | $4,705,550 | 0.06% |

Adjudicator fees

Under the BIF Act, progress payment claims of less than $25,000 have maximum fees and expenses set by regulation. For progress payments over $25,000, fees and expenses are to be agreed between the adjudicator and the parties. In the absence of agreement, an adjudicator is entitled to an amount that is reasonable, having regard to the work done and expenses incurred.

The table below sets out the average adjudicator fee as a percentage of the average total claimed amount for the period 1 July 2020 to 30 June 2021.

Table 10: Average adjudicator fee as a percentage of the average total claimed amount

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Claim value** | **Number of decisions made by adjudicators** | **Average total claimed amount** | **Average adjudicator fees** | **Average adjudicator fees as a percentage of average total claimed amount** |
| $0 - $10,180 | 39 | $5,029 | $738 | 14.68% |
| $10,180 - $50,900 | 57 | $24,888 | $2,510 | 10.09% |
| $50,900 - $101,800 | 27 | $74,697 | $5,406 | 7.24% |
| $101,800 - $254,500 | 23 | $175,961 | $10,981 | 6.24% |
| $254,500 - $509,000 | 13 | $373,731 | $17,500 | 4.68% |
| $509,000 - $763,500 | 10 | $630,653 | $31,194 | 4.95% |
| $763,500 - $1,109,188.35 | 6 | $974,098 | $25,591 | 2.63% |
| > $1,109,188.35 | 12 | $4,797,203 | $41,793 | 0.87% |

Advisory service

The Adjudication Registry provides an advisory service to further educate consumers about the role of the Registry and the adjudication process. Through the advisory service, stakeholders are connected directly to Registry staff for timely information about the adjudication process. The advisory service enhances awareness about payment rights and obligations. For the previous 2019-2020 financial year, the Registry resolved a total of 2,066 enquiries. For the period 1 July 2020 to 30 June 2021, the Registry saw a decrease in the number of enquiries it resolved to 1,050.

Annual review of adjudicator grading

Section 22(1) of the Building Industry Fairness (Security of Payment) Regulation 2019 (BIF Regulation) provides for the review of adjudicator grading at least once every 12 months. Pursuant to Section 20(a) of the BIF Regulation, an adjudicator is eligible to be a grade 2 adjudicator if the adjudicator has:

* decided at least 10 adjudication applications
* at least five of those applications relate to a progress payment of more than $25,000.

Pursuant to Section 20(b) of the BIF Regulation, an adjudicator is eligible to a grade 2 registration if the Registrar considers the person’s experience is equivalent to meeting the requirements set out above.

In respect of the adjudicator grade review for the period 1 July 2020 to 30 June 2021, there were four grade 1 adjudicators assessed as eligible for grade 2 registration.

Continuing professional development

Pursuant to Section 165 of the BIF Act, it is a condition of registration that adjudicators complete continuing professional development (CPD) prescribed by regulation. The BIF Regulation provides that an adjudicator must accumulate 10 CPD points in each CPD year through the completion of CPD activities. At the commencement of the reporting period for the CPD year there were 154 registered adjudicators.

**Table 11: Outcomes pertaining to the 2020-2021 CPD year**

|  |  |
| --- | --- |
| CPD records provided | 151 |
| Cancelled registrations (BIF Act Section 171) | 0 |
| Surrendered registrations | 2 |
| No record required (BIF Regulation Section 30) | 1 |

Forecast of registry operations

With the implementation of the BIF Act in December 2018 and routine legislative amendments*,* the Registry continues to conduct a review of all systems and processes to ensure maximum efficiency in meeting its statutory mandate.

For the 2021-2022 financial year, increased workload for the Registry in respect of some functions is anticipated, including:

* implementation of legislative reform as required
* meeting the demand for consumer advisory services
* providing education and engagement with the sector and registered adjudicators.

### Licence cancellations and suspensions

The QBCC Actallows for the cancellation or suspension of a licence on certain grounds. The below table provides data on the grounds for these cancellations and suspensions.

Table 12: Licences cancelled and suspended under section 48 of the QBCC Act in 2020-2021

|  |  |  |
| --- | --- | --- |
| **Reason for cancellation** | **Cancellation** | **Suspension** |
| Breach of minimum financial requirements (other than ‘monies-owed’) | 19 | 39 |
| Failure to pay debts (‘monies-owed’) | 34 | 66 |
| Failure to comply with a financial audit | 17 | 27 |
| Breach of licence condition (including annual reporting requirements and company deregistration) | 243 | 337 |
| Licensee not fit and proper to hold a licence (including if the licensee’s interstate or New Zealand licence is cancelled or suspended) | 3 | 1 |
| Licensee company ceases to have a nominee | 76 | 178 |
| Serious risk to health and safety | 1 | Nil |
| **Total** | **393** | **648** |

The QBCC may immediately suspend a licence if it reasonably believes there is a real likelihood that serious financial loss or other serious harm will occur to other licensees, employees of other licensees, consumers or suppliers of building materials or services. In 2020-2021, the QBCC immediately suspended the licences of five licensees. In three cases, the immediate suspensions arose out of concerns that if the licensee was allowed to continue to trade, they would pose a serious risk of harm to others in the industry as a result of a failure to carry out commercial and statutory obligations and therefore the licensee, or the licensee’s director, were not fit and proper to hold a licence. In the remaining two cases, the licensees were immediately suspended because there was a real likelihood that serious financial loss would have occurred if this regulatory action was not taken.

### Licensing actions to ensure safe systems of work

The QBCC Act allows for the cancellation, suspension, or for conditions to be imposed on a licence if a building or other work on a building site under the licensee’s control may have caused a person’s death, grievous bodily harm to a person, or involved a serious risk to the health or safety of a person.

Our collaborative relationship with Workplace Health and Safety Queensland ensures a structured and appropriately focused regulatory approach to mitigating safety risks in the sector.

In 2020-2021, the QBCC imposed conditions on 11 licences where building or other work on a site under the licensee’s control involved a serious risk to the health and safety of a person. The QBCC investigated a further 216 reported safety incidents to ensure the licensee was implementing an appropriate safety management system to ensure proper standards were being maintained. In 2020-2021, the QBCC did not immediately suspend any licensees for the reason of not having a safe system of work in place and real likelihood of serious risk of harm to industry participants and consumers.

Non-conforming building products

The QBCC has continued to enforce its powers under the non-conforming building products laws. These laws establish a chain of responsibility, placing obligations on supply-chain participants at all stages, to ensure building products used in Queensland are safe, compliant and capable of performing to the standard that they are represented to perform.

For the period 1 July 2020 to 30 June 2021, the QBCC received 247 enquiries and complaints in relation to non-conforming building products. This includes community and industry-generated intelligence, as well as proactive audits instigated by the QBCC. We finalised 240 enquiries and complaints, with 52 ongoing. The number received and finalised is not equal as enquiries and complaints can be carried over from previous financial years.

Of the 240 enquiries and complaints that were finalised:

* 13 were proactively raised by the QBCC into high-risk products
* 46 were public/industry-generated complaints into product families
* 131 were public/industry-generated complaints into specific sites
* 50 were cases based on general public and industry intelligence obtained by the QBCC.

The outcomes of the 240 enquiries and complaints finalised were:

* 13 determinations of non-conforming building products, resulting in appropriate regulatory action
* eight resolutions through specific targeted education of persons in the chain of responsibility
* 17 findings of no non-conformance and resolved through provision of general education
* 31 resolutions through general education without requiring a finding of non-conformance
* 49 escalations for detailed technical investigation
* 44 resolutions through retaining information as general intelligence
* 45 re-directions of affected parties to other areas of the QBCC
* 33 were not related to non-conforming building products.

Through these actions, the QBCC has strengthened the knowledge and awareness of non-conforming building product legislation within industry and the general public, taking regulatory action where necessary. This decreases the risk of unsafe building products being installed in Queensland buildings.

### Safer Buildings program

In 2018, a regulation came into effect to help identify privately-owned buildings in Queensland that may have potentially combustible cladding. As part of the Safer Buildings program, owners of these buildings were required to register their building and undertake a self-auditing process called the combustible cladding checklist, supported by industry professionals where required.

The combustible cladding checklist is an online system that is divided into three parts with buildings exiting at each part of the process. The QBCC received registrations relating to over 19,500 buildings and, as at 30 June 2021, 13,944 buildings had been cleared at Part 1, 3,000 buildings had been cleared at Part 2, and 775 buildings had been cleared at Part 3. The remaining buildings have either been given measures outlined by fire safety engineers to mitigate the risk, or are currently being investigated by the QBCC.

The QBCC is undertaking appropriate audits to ensure the accuracy of information submitted in the checklist and to take necessary regulatory steps to ensure completion of the program. This may include site inspections and requiring the production of relevant documents to help establish if an offence has been committed.

The Part 3 compliance deadline of 3 May 2021 has now passed, with the QBCC granting 120 extensions of time. Owners of buildings remaining in the program have an ongoing obligation to complete the checklist. Failure to complete the checklist is an offence and may attract penalties or prosecution.

### Compliance and enforcement activities

The QBCC uses its legal powers to investigate complaints made by consumers, contractors and other industry participants to support an equitable environment for Queensland licensees by identifying and penalising unlawful operations. We also carry out proactive audits and investigations to detect unlicensed contracting and other breaches of legislative requirements. From time to time, the QBCC conducts joint operations with other regulators to target specific risks.

During 2020-2021, the five offences listed below made up 73 per cent of all investigations:

* Unlicensed contracting: 20 per cent
* Schedule 1B (domestic building contracts) offences: 20 per cent
* Advertising: 14 per cent
* Security of Payment (BIF Act): 10 per cent
* Insurance offences: 9 per cent.

Table 13: Number of investigations opened and closed

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2018-2019** | **2019-2020** | **2020-2021** |
| Unlicensed contracting | 520 | 585 | 565 |
| Schedule 1B (domestic contracts) | 462 | 542 | 563 |
| Insurance | 235 | 268 | 386 |
| Security of payment\* | 22 | 149 | 281 |
| Advertising | 132 | 90 | 243 |

\*A number of new sections of the BIF Act have been included as part of investigations in 2020-2021 as a result of BIFOLA reforms, and therefore the number of investigations are not directly comparable to previous years.

In 2020-2021, the QBCC continued its dedicated team to proactively investigate unlicensed contracting and advertising offences. This involved examining advertising on various internet platforms and cross-referencing with the QBCC’s own databases to identify potential breaches. This use of the QBCC’s Compliance Intelligence Dashboard technology was primarily focused on the plumbing and drainage industry. For a summary of results, please refer to the plumbing complaints, investigations and disciplinary actions section in this Annual Report.

### Contractual investigations

The QBCC examines suspected breaches of the QBCC Act and, when required, takes appropriate action including issuing an infringement notice under:

* Schedule 1B of the QBCC Act, which regulates contracts for domestic building work between contractors and home owners
* Part 4A of the QBCC Act, which regulates subcontracts between contractors and builders and commercial contracts.

Where there are reasonable concerns that a licensee has not been complying with the requirements of the QBCC Act, we may conduct investigations requiring the licensee to produce all contracts for review. Our key focus is on domestic contracts due to the need to better protect home owners who may only rarely deal with the building and construction industry.

Table 14: Contractual investigations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2018-2019** | | **2019-2020** | | **2020-2021** | |
|  | **Domestic contract** | **QBCC Act Part 4A** | **Domestic contract** | **QBCC Act Part 4A** | **Domestic contract** | **QBCC Act Part 4A** |
| Investigations | 485 | 35 | 473 | 19 | 542 | 71 |
| Warnings issued | 186 | 16 | 128 | 8 | 156 | 25 |
| Contractors issued with an infringement notice | 273 | 6 | 206 | 3 | 218 | 25 |
| Infringement notices issued | 287 | 6 | 211 | 3 | 219 | 25 |

The QBCC uses a range of enforcement actions, such as warnings and infringement notices, to find a balance between protecting home owners and educating and motivating contractors to comply with the legislation.

### Demerit points issued to contractors for breaches of legislation

The table below shows the demerit points issued to contractors in 2020-2021.

Table 15: Demerit points issued to contractors

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2018-2019** | **2019-2020** | **2020-2021** |
| Demerit points issued for unsatisfied judgment debts | 40 | 70 | 40 |
| Demerit points issued for contractual offences | 2,110 | 1,584 | 1,720 |
| Demerit points issued for failure to rectify | 1,696 | 1,862 | 2,556 |
| Demerit points issued for failing to pay insurance premium | 362 | 386 | 258 |
| Demerit points issued for carrying out work without a nominee | 0 | 8 | 0 |
| Demerit points – other | 222 | 156 | 122 |
| **Total demerit points issued** | **4,430** | **4,066** | **4,696** |
| **Contractors issued with demerit points** | **457** | **515** | **594** |

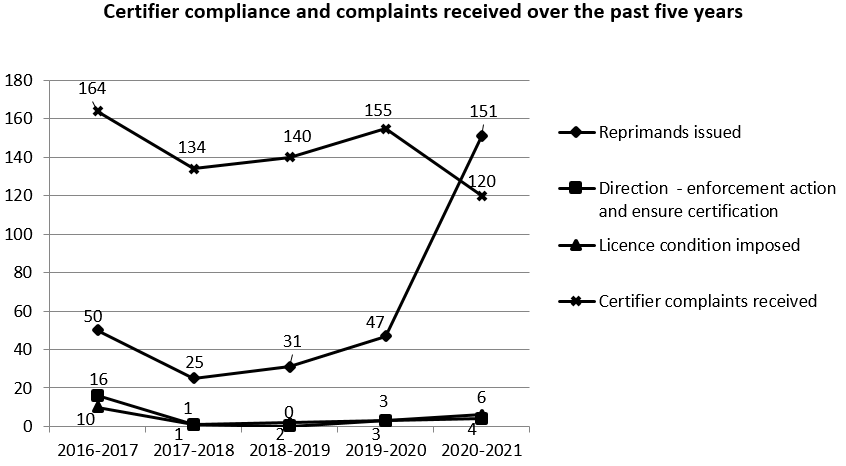
The total demerit points issued are correlated to the number of investigations held in the year.

Certifier compliance

At the start of the reporting period, the QBCC had 54 open certifier complaints. An additional 120 complaints were received during 2020-2021. During the reporting period, we finalised 137 complaints. As at 30 June 2021, 37 remain open.

At the start of the reporting period, the QBCC had nine technical audits and 202 assessment audits open. During the reporting period, we commenced 61 technical audits and 24 assessment audits. We finalised 61 technical audits and 158 assessment audits over the 12 months. As at 30 June 2021, there were nine technical audits and 68 assessment audits still underway.

Of the 356 completed investigations, including complaints, technical and assessment audits undertaken in 2020-2021, 151 findings of unsatisfactory certifier conduct were found. No certifiers were found to have engaged in professional misconduct, 45 complaints were either withdrawn or closed due to insufficient evidence, and in 150 cases the certifier’s conduct was found to be satisfactory. Nine cases were duplicates. One assessment audit did not proceed as the licensee was currently not practising.



In October 2020, demerit point allocation and disqualification procedures were introduced for certifier licences. These new provisions are activated when convictions are recorded for particular offences (demerit offences). No demerit points were allocated, and no persons were disqualified from holding a certifier licence in the reporting year.

Proactive building inspections

The QBCC proactively audits building works under construction to assess compliance against the National Construction Code and relevant Australian Standards. We encourage builders to rectify defective work to avoid the need for further action by the QBCC in the event of non-compliance being found.

In 2020-2021, audits of multi-residential buildings (both townhouses and high-rise constructions) uncovered a variety of concerns such as:

* non-compliant framing and detailing of lightweight fire separating walls
* non-compliant fixing of metal fire door frames
* unauthorised modifications of fire collars through slabs for pipework runs
* inadequate disability access particularly at lobby doorways
* inadequate temporary fire protection measures (hydrants and hose reels) during construction.

The QBCC also performed audits on single detached dwellings. A variety of issues were found, including:

* non-compliant installation of lightweight cladding systems and associated control joint requirements
* inadequate design/fixing of timber fence posts to retaining walls
* non-compliant flashing/waterproofing below sliding doors leading onto waterproof decks/balconies.

Plumbing complaints, investigations and disciplinary actions

To ensure public health and safety, the QBCC investigates complaints about plumbing and/or drainage work that does not comply with the *Plumbing and Drainage Act 2018* (PD Act).

In 2020-2021, 141 investigations were closed, including outstanding investigations carried over from 2019-2020. The table below compares enforcement actions across the past three years.

Table 16: Plumbing disciplinary actions

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2018-2019** | **2019-2020** | **2020-2021** |
| Disciplinary orders issued to licensees | 19 orders amounting to $23,352 | 12 orders amounting to $10,770 | 1 order amounting to $0\* |
| Penalty infringement notices | 41 penalty infringement notices amounting to $42,920 | 25 penalty infringement notices amounting to $33,059 | 78 penalty infringement notices amounting to $125,368 |

\* Disciplinary action was taken and in this instance, it was decided that a penalty infringement notice was a more efficient and effective way of dealing with the non-compliance.

In 2020-2021, 34 individuals or entities were identified as breaching advertising provisions for plumbing or drainage work within the QBCC Act. A total of eight individuals or entities were found to have had an appropriate licence but failed to display their licence number. Of these eight people, one was issued an infringement notice, four were issued warnings, and three had no further action taken. The remaining 26 proceeded to further investigation for potential regulatory action.

Generally, disciplinary action decreased in 2020/2021 in comparison to the previous year due to a different approach to plumbing enforcement by the QBCC. This included focusing on unlawful advertising and unlawful contracting – where Penalty Infringement Notices can be issued - as well as issuing infringement notices for notifiable work offences, which is a much quicker process than taking other disciplinary action.

In addition to receiving and investigating complaints about plumbing and drainage work, the QBCC’s other functions included assessing information received as part of the approved audit program for notifiable work, analysing data on the number of hot water heaters being installed in Queensland and responding to general enquiries about plumbing and drainage. Responding to enquiries is particularly important to promote industry engagement and to raise awareness of compliance matters. A greater percentage of these enquiries was from licensees seeking information about notifiable work.

To improve the standard of plumbing and drainage work undertaken by licensed plumbers and drainers and to increase compliance with the PD Act, we were also involved in preparing and publishing a number of webinars and tutorials about plumbing and drainage work. In addition to these webinars and tutorials, we engaged with major plumbing retailers and arranged to have in-store signage installed throughout Queensland, advising consumers of the need to engage appropriately licensed plumbers when undertaking plumbing work.

In 2020-2021, the QBCC initiated work on a number of videos targeting the five most common plumbing defects. The QBCC also delivered presentations at Registered Training Organisations informing apprentices about plumbing-related matters relevant to the QBCC, such as plumbing defects and notifiable work requirements.

Throughout the year, the QBCC also delivered a number of presentations to the Master Plumbers Association of Queensland and the Institute of Plumbing Inspectors Queensland, and provided articles to the Real Estate Institute of Queensland on issues such as the importance of using licensed tradespeople and notifiable works.

### Notifiable Work – Form 4/4A

For some types of plumbing and drainage work, QBCC-licensed plumbers and drainers must register details about the work with the QBCC through a Form 4/4A – Notifiable Work. In 2020-2021, there were 106,578 Form 4/4As registered, a 2.5 per cent increase over the previous financial year. The QBCC conducts an audit program to ensure plumbers are adhering to their responsibilities and maintaining high standards in plumbing and drainage work. In 2020-2021, the QBCC opened a total of 550 audits of contracting plumbers and drainers. As well as receiving education about their obligations, licensees found to have poor compliance were referred for further investigation and potential regulatory action.

In the second half of the year, the QBCC also commenced a pilot project to proactively assess the level of compliance relating to the installation of hot water heaters, which should be registered as notifiable work in some circumstances. The project reviewed the QBCC’s records to obtain sample sales data for analysis. This initiative has the potential to expose plumbing work performed illegally by unlicensed persons.

The QBCC engages with local governments throughout Queensland to facilitate their auditing of completed notifiable work. This year, in response to feedback received, we offered a new, improved formal arrangement to local governments for reimbursement of their notifiable work audit inspection costs. This new formal arrangement updated existing operational arrangements and introduced an automatic annual increase in payments, ensuring a more equitable distribution of the revenue from notifiable work registration.

The QBCC also developed an intuitive tool located on the QBCC website to assist plumbers better understand when a Form 4 registration is required for notifiable works. This intuitive tool can be used by licensees and their book keepers and requires five questions to be answered to determine whether the work is notifiable work that requires the lodgement of a Form 4.

Pool safety

Pool safety laws require swimming pools to be registered and barriers to comply with the pool safety standard. The QBCC maintains a register of regulated pools and pool safety inspectors (PSI) who issue pool safety certificates. As at 30 June 2021, there were 413,191 pools on the pools register and 564 PSIs.

The QBCC approves continuing professional development (CPD) activities for PSIs and allocates CPD points for those activities. The QBCC also investigates complaints and takes disciplinary action against PSIs. In 2020-2021, the following investigations were conducted:

* 25 complaints received regarding the conduct of PSIs
* 66 complaints against PSIs were finalised
* nine complaints against PSIs were withdrawn
* no cases were closed without further investigation when allegations could not be validated
* 15 complaints had no grounds for disciplinary action
* 42 investigations established grounds for disciplinary action
* two instances where no further action was required
* 40 cases where disciplinary actions were taken, including licence suspension, monetary penalties, reprimands and requirements to refund inspection fees.

One PSI and one complainant sought review by the QBCC’s Internal Review Unit (IRU) of disciplinary action decisions. The complainant subsequently applied to the Queensland Civil and Administrative Tribunal (QCAT) for review of the IRU decision. One PSI applied directly to QCAT for review of a disciplinary decision. There are no clear trends emerging in the types of disciplinary action taken against PSIs.

In 2020-2021, three investigations were opened into pool owners who were alleged not to have obtained pool safety certificates, or to have failed to give the QBCC notice of no certificate when required. The QBCC finalised 15 investigations of pool owners, and of those, six resulted in the issuing of an infringement notice and two resulted in the issuing of a warning notice.

Immersion incident reporting

The QBCC receives reports periodically of immersion incidents involving young children. These reports are provided by Queensland Health, following notification by health professionals including the Queensland Ambulance Service. In 2020-2021, the QBCC received 89 reports of immersion incidents. These reports are also provided to the relevant local government, which is required to inspect the site of the immersion. If the local government inspection raises any concerns about the pool fence at the site of the immersion, the local government takes the necessary enforcement action to ensure the pool complies. If the local government inspection suggests a breach by a PSI, the local government refers it to the QBCC for action and we follow up with the relevant PSI.

In 2020-2021, two investigations finalised against PSIs were based on information obtained following an immersion incident notice received during the previous financial year. Both investigations found grounds for disciplinary action. None of the investigations finalised against pool owners were based on information obtained following immersion incident notices.

Pool owner compliance and enforcement

The QBCC monitors and enforces the requirement for pool owners to obtain pool safety certificates and refers unsafe pools to local governments, which are required to inspect and may take enforcement action.

As at 30 June 2021, 40,856 pool safety certificates were issued in the reporting period which included 33,486 for non-shared pools and 7,370 for shared pools. The QBCC referred 36 properties to local governments in 2020-2021.

The QBCC is currently developing the Homeowners Guide to Pool Safety and redeveloping the QBCC website to be more user friendly and to provide easier access to information including pool safety.

The QBCC also delivered a number of educational presentations to stakeholders including:

* Residential Tenancies Authority
* Real Estate Institute of Queensland
* The Swimming Pool and Spa Association.

Education and engagement

Education and engagement is a regulatory requirement under our enabling legislation and fundamental to encouraging compliance, supporting safe practices and raising awareness of legislative changes. The QBCC provides education and engagement through a variety of mediums to home owners, licensees and other industry participants. In 2020-2021, key engagement activities included those outlined below.

Tradie Tour

* one State-wide Tradie Tour, which included nine face-to-face events, incorporating two sessions per event. Session One covered the technical topic of ‘Plasterboard’, and was run in conjunction with The Association of Wall and Ceiling Industries. Session Two addressed ‘Annual Financial Reporting lodgement’ and ‘New Laws for Queensland’, and was delivered in unison with the Department of Energy and Public Works (DEPW). The ‘New Laws for Queensland’ component of the session addressed:
  + the Project Trust Account framework
  + security of payment reforms
  + changes to the QBCC Act
  + changes to the fire protection licensing framework
  + changes to the mechanical services licensing framework.
* the Annual Financial Requirements component provided information to SC1 and SC2 licensees about their impending minimum financial requirement lodgement obligation. A total of 492 individuals attended these face-to-face sessions. A subsequent webinar on the ‘Plasterboard’ topic attracted an audience of 380 people, while the webinar on ‘Annual Financial Reporting lodgement’ and ‘New Laws for Queensland’ garnered an audience of 440 attendees.

Presentations and information sessions

* one webinar entitled “Are you ready for Storm Season“, which was developed and delivered in conjunction with Dr David Henderson (Chief Engineer, Cyclone Testing Station, James Cook University). This webinar provided attendees with information about building and construction in cyclone-prone regions, and how best to retrofit older homes to reduce damage from cyclones and storms. One hundred and twenty-six people attended this webinar and provided a Net Promoter Score of 31, which indicates a high level of satisfaction and a willingness to recommend this event to others.
* three webinars addressing amendments to existing legislation under the BIFOLA reforms. Topics delivered were:
  + important information for certifiers, which attracted 171 attendees
  + changes for adjudicators, which attracted 105 attendees
  + changes to security of payment laws in Queensland, which attracted 306 attendees.
* nine information sessions to third and fourth-year apprentices at a variety of Registered Training Organisations throughout the State
* three sessions to students at the Queensland University of Technology
* three home owner information webinars providing guidance on the building and renovation process
* presentations at 29 externally hosted industry and stakeholder engagements, addressing issues within the Queensland building and construction industry, including:
  + one session to educate painting contractors on common defects and best practice
  + six Master Plumbers’ Association of Queensland industry forums and webinars discussing topics including compliance and audit activities, notifiable work lodgement forms and defective work
  + three National Association of Women in Construction (NAWIC) “Women on Tools” events and three further NAWIC-organised events, which provided opportunities to advise tradeswomen and apprentices on licensing requirements and promote the QBCC as an employer of choice in the Queensland building and construction industry
  + one Board of Professional Engineers presentation to young Queensland engineers
  + three pool safety information sessions for government and industry association stakeholders
  + two plumbing and drainage information sessions for local government stakeholders
  + one Tablelands Regional Council Trades and Construction Business Support Open Day
  + one presentation to the Institute of Public Accountants Queensland on Annual Financial Reporting requirements
  + one Building Products Industry Council Board webinar.

Expos

* one Brisbane home show event generating more than 320 enquiries
* one Gold Coast Trades College and Careers Expo generating more than 150 enquiries
* one Mitre 10 trade expo event generating more than 250 enquiries.

Supporting the skills uplift of the building and construction industry

In August 2019, the Ministerial Construction Council (MCC) and industry stakeholders discussed the need for improved skills for the building and construction industry, and specifically for builders. The MCC agreed that a subcommittee should be established to consider the necessary framework to support the introduction of a Compulsory Continuing Professional Development (CCPD) scheme in Queensland. At its inaugural meeting in October 2019, the CCPD Subcommittee commenced considering the necessary elements required for inclusion in a CCPD Framework. The CCPD Subcommittee delivered its final report to the MCC on 31 May 2020. In July 2020, the MCC endorsed the Final Report and the CCPD Framework.

In providing the Final Report and the CCPD Framework to the MCC, the CCPD Subcommittee had determined that a CCPD Framework for Queensland’s building and construction industry must include a targeted approach to professional development, in business, safety, trade and professional learning areas. The CCPD Subcommittee recommended that the CCPD Framework align with the Building Confidence Report and require professional development on the National Construction Code. The CCPD Subcommittee also recommended that the framework be tested as a pilot program.

During 2021, the QBCC commenced work on the CCPD pilot program by delivering free, structured, online professional development courses to a voluntary cohort of licensees. The pilot program topics include a minimum financial requirements and Annual Financial Reporting course, and a second course on Safety Reporting Obligations in the building and construction industry.

These two courses commenced delivery in April 2021 and will continue until November 2021. Over the course of this period, the QBCC will gather data and insights about the CCPD pilot program, including feedback from the participants. On completion of the project, insights will be shared with industry stakeholders and government to inform the future requirements of CCPD for Queensland’s building and construction industry.

## Objective 2: Deliver regulatory and insurance services that are timely, accurate, fair and transparent

As a regulator, the QBCC plays an integral part in ensuring only qualified contractors and tradespeople are working in the industry. We recognise that we cannot do this on our own – we need to engage with other stakeholders and partners to achieve our goals. We also recognise that building work may not always be completed in accordance with standards, and the QBCC plays a unique role in administering an insurance fund for home owners in these situations. This objective articulates our desire to deliver our services efficiently and effectively. We have two high-level strategies to help us achieve this. These are:

* Engagement – we engage with stakeholders and consumers in an open and transparent manner
* Service excellence – we ensure regulatory and insurance systems, policies and procedures enable timely, accurate, consistent, fair and transparent service delivery.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 17: Objective 2 performance measures | | | |
|  | **Target** | **Actual** | **Comments** |
| Percentage of claims fully compensated under the Queensland Home Warranty Scheme | 95% within policy limits | 97.88% |  |
| Perception of fairness in decision-making: percentage of survey respondents agree the final decision was fair**\*** | 65% | 63.3% | The variance between the 2020–2021 Target and the 2020–2021 Actual is due to survey responses correlating strongly with stakeholder expectations of a favourable decision, and as such are affected by negative outcomes for stakeholders. These surveys are conducted shortly after a decision is communicated. |
| Percentage of decisions set aside by the Queensland Civil and Administrative Tribunal\* | 5% | 6.85% | The number of decisions set aside by the Queensland Civil and Administrative Tribunal (QCAT) in 2020–2021 was 15 out of 219 matters. This is comparable to the previous financial year. Of those decisions set aside by the QCAT, two related to excluded individual decisions, one related to a licence suspension decision, one related to a certifier conduct decision, five related to contract termination and/or a decision to disallow a claim under the Queensland Home Warranty Scheme. The remaining six related to a decision to issue a direction to rectify defective building work. |
| Cost of recovering $1.00 of funds owed to creditors\* | $0.60 | $0.64 | The QBCC has no control over the value of monies owed on complaints received, which in turn has an impact on the amount that is consequently returned to relevant industry participants. |
| Percentage of early dispute resolution cases finalised within 28 days\* | 80% | 89% |  |
| Average number of days to process licence applications\* | 30 days | 19 days |  |
| Percentage of owner builder permits approved within 15 working days\* | 90% | 100% |  |
| Percentage of adjudication applications referred to an adjudicator within 4 business days\* | 100% | 100% |  |
| Percentage of insurance claims for defective work assessed and response provided within 35 business days\* | 50% | 60% |  |
| Average processing time for an early dispute resolution case\* | 28 working days | 14 working days |  |
| Average approval time for defects claims less than $20,000\* | 35 working days | 38 working days | Variance between the Target and the Actual is due to several significant factors outside of the QBCC’s control that impacted the average processing time e.g. the need to obtain engineering or legal advice, owner absence, the need for the QBCC to retender quotes based on concern with those previously received, claim put on hold at owner request. |
| Percentage of internal review applicants contacted within 2 business days\* | 95% | 97% |  |
| **Strength of stakeholder engagement** | | | |
| Qualitative statement | See Education and Engagement section on page 20. | | |

\* This is a 2020-2021 Service Delivery Statement Service Standard.

Customer Service

The QBCC’s customer contact centre staff are trained in providing general advice and aim to resolve matters at the first point of contact.

There were minimal operational impacts to the Contact Centre as a result of the evolving COVID-19 pandemic. We continued to respond to calls and provide practical guidance to steady call volumes, managing complex issues and complaints.

During 2020-2021, we focused on improving the customer and employee experience through the significant upgrade of our telephony system, evolving our data and analytics capability, enabling more digital services and optimising our workforce planning. Some key activities included:

* ongoing upskilling of staff to better support the resolution of customer enquiries across all business line queues
* implementing a post-call customer satisfaction survey to collect feedback on the quality of service offered to support ongoing improvement
* improving workforce optimisation via the introduction of a new workforce management scheduling platform that caters to employees and operational needs
* increased self-service registrations for myQBCC portal allowing licensees to manage their interactions at a time convenient to them.

Table 18: Customer Contact Centre statistics

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2018-2019** | **2019-2020** | **2020-2021** |
| **Customer phone calls** | 200,677 | 250,245 | 238,479 |
| **Customer emails** | 13,011 | 15,217 | 20,683 |

Licensing

The QBCC Act establishes a licensing system for individuals and companies carrying out building work regulated under the Act. The table below shows the number of individuals and companies licensed under the QBCC Act by licence type as at 30 June 2021.

Table 19: QBCC Act licensees by licence type as at 30 June 2021

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Individual** | **Company** | **Total** |
| Builder | 27,029 | 9,058 | 36,087 |
| Builder restricted | 2,095 | 690 | 2,785 |
| Contractor | 41,038 | 11,248 | 52,286 |
| Occupational | 1,989 | N/A | 1,989 |
| Total | 72,151 | 20,996 | 93,147 |

In 2020-2021, the QBCC processed 1,230 mutual recognition applications. Mutual recognition applications are received from Australian citizens in other states and territories and New Zealand citizens, and are processed under the *Trans-Tasman Mutual Recognition Act 1997*.

### Fire protection licensing framework

The QBCC Act establishes a licensing system for individuals and companies carrying out fire protection work regulated under the Act.

In May 2021 a new fire protection licensing framework commenced. It introduces:

* five streams of fire protection licences
* new design classes
* changes to the fire safety processional licence class
* changes to fire protection work regulated by the QBCC
* changes of scope of work for transitioning licence classes.

The introduction of the new fire protection licensing framework will help to improve standards in the building and construction industry.

As at 30 June 2021, the QBCC licensed 4,491 companies and individuals to undertake regulated fire protection work. Each licensee may hold one or more licence classes across each of the fire protection streams.

Table 20: QBCC Act Fire Protection classes by licence type as at 30 June 2021

| **Licence stream** | **Licence type** | **Licence Classes** |
| --- | --- | --- |
| Portables | Contractor/nominee supervisor | 850 |
| Occupational | 1,552 |
| Passive | Contractor/nominee  supervisor | 994 |
| Occupational | 960 |
| Special hazard | Contractor/nominee  supervisor | 379 |
| Occupational | 278 |
| Water-based | Contractor/nominee  supervisor | 1,553 |
| Occupational | 402 |
| Electrical | Contractor/nominee  supervisor | 961 |
| Occupational | 1,869 |
| Fire Safety Professional | Contractor/nominee  supervisor | 91 |
| Occupational | 12 |
| **Licence classes issued** | | **9,901** |

### Owner builder permits

The QBCC administers the granting of owner builder permits under the QBCC Act. An owner builder permit allows the permittee to carry out building work on the permittee’s land for a building used for residential purposes. This does not include:

* work on a building with multiple dwellings
* building work for which an occupational licence is required, unless the work is carried out by a person who holds the appropriate licence.

As at 30 June 2021, there were 2,071 owner builder permits granted by the QBCC.

The QBCC is ensuring home owners undertaking building work on properties built before 1990 have a better understanding of the harms associated with asbestos. The QBCC requires home owners:

* to complete awareness training on managing this building product that has the potential for serious health concerns through airborne exposure
* and those they engage to have the same level of expected safety as on any building site, to meet the requirements of the *Work Health and Safety Act 2011*.

Plumber and drainer licensing

The QBCC administers Queensland’s licensing system for plumbers and drainers under the PD Act. The table below shows the number of licensees as at 30 June 2021.

**Table 21: PD Act licensees by licence type as at 30 June 2021**

|  |  |
| --- | --- |
| **Occupational licence type** | **Classes of licence** |
| Provisional plumber | 1,095 |
| Provisional drainer | 1,073 |
| Plumber | 13,526 |
| Drainer | 13,695 |
| Restricted licences | 1,856 |
| **Total** | 31,245[[2]](#footnote-3) |

Mechanical services licensing

Mechanical services work involves the construction, installation, replacement, repair, alteration, maintenance, testing or commissioning of a mechanical heating or cooling system in commercial and residential buildings. It also includes work on medical gas systems found in hospitals and other health services such as dental facilities.

There are three specialist streams recognised under the mechanical services licensing framework:

* mechanical services - medical gas
* mechanical services - plumbing
* mechanical services - air-conditioning and refrigeration.

The below table shows the number of licensees under each stream as at 30 June 2021. Licensing of mechanical services contributes to the overall health and safety of the community. Licensing of practitioners provides comfort that operators hold an appropriate technical qualification, contractors are financially sound and that the QBCC can take action against individuals performing substandard work or using non-conforming building products.

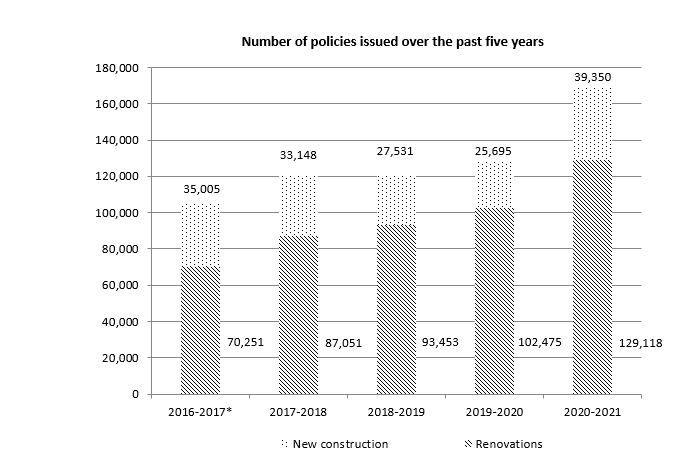
**Table 22: Mechanical services licensees by licence type as at 30 June 2021**

|  |  |
| --- | --- |
| **Licence type** | **Number of licensees** |
| Medical gas | 301 |
| Mechanical plumbing | 817 |
| Air-conditioning and refrigeration | 3,455 |

Queensland Home Warranty Scheme

The QBCC administers a home warranty scheme that provides insurance cover for residential construction work in Queensland.

During 2020-2021, the QBCC processed 168,468 insurance policies. The breakdown of residential construction work carried out during the period was approximately 77 per cent renovations compared to 23 per cent new home construction.



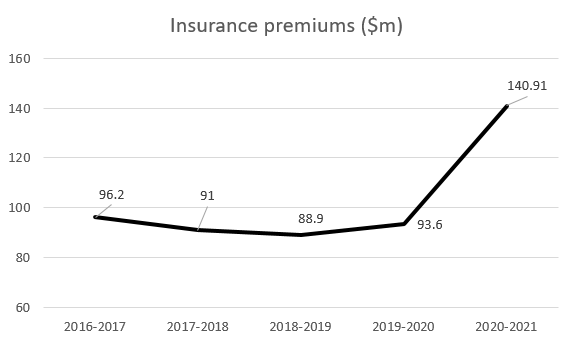
\*As at 28 October 2016, the type of work covered by the Queensland Home Warranty Scheme was expanded. The introduction of cover for manufactured homes, which was previously excluded, resulted in an increase in policies covered under the “New construction” data. The introduction of cover for swimming pools and additional work within the envelope of the building resulted in an increase in policies covered under

the “Renovations” data.

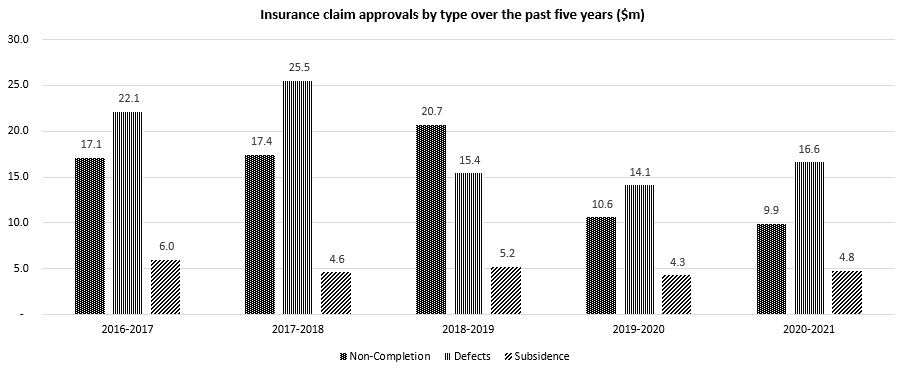
The number of new builds in 2019-2020 was the lowest since the Global Financial Crisis. In 2020-2021, 39,350 policies were taken out for new builds, largely due to the HomeBuilder stimulus. The new build sector went from the bottom of the cycle to the top of the cycle, reaching near record levels of activity, in the space of 12 months.

Renovation activity was at high levels prior to the COVID-19 pandemic, but during 2020-2021 strengthened further reaching record levels. The COVID-19 pandemic which caused families to spend more time at home, and prevented overseas travel, is likely the cause of the surge in activity. The HomeBuilder stimulus played less of a role in the renovation sector.

In 2020-2021, the QBCC received $140.91 million in insurance premiums compared to $93.6 million in 2019-2020. The premium revenue reflects the number and value of contracts signed in 2020-2021, and the 1.4 per cent increase in premiums charged which took effect from 1 July 2020.



The QBCC approved a total of $31.3 million in insurance claim costs during 2020-2021. This included $16.6 million for defects claims, $9.9 million for non-completion claims and $4.8 million for subsidence claims. Defect claims were slightly lower than actuarial forecasts, while subsidence claims were higher.



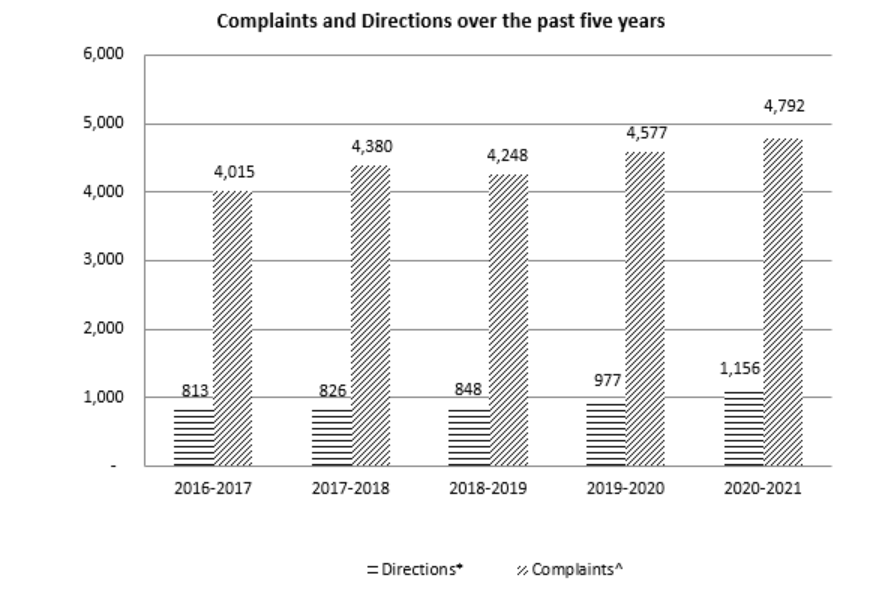
The financial failure of licensed new-home builders is the primary driver of non-completion claims. There were fewer insolvencies in 2020-2021 likely attributable to temporary changes to insolvency laws due to the COVID-19 pandemic, and the boom in activity during the same period which likely helped many contractors who were struggling financially to recover. The introduction of the Minimum Financial Requirements Regulation in 2019 has also contributed to a more financially sustainable construction industry, leading to an injection of over $1.3 billion of working capital into the Queensland construction sector.

The QBCC holds licensees responsible for monies-owed as a result of claims made against the Queensland Home Warranty Scheme. While most of the claims made against the Scheme are unrecoverable due to builder insolvency, where possible, the QBCC will attempt to recover the money owed. We recovered close to $3.2 million in 2020-2021 for the Scheme.

To ensure a solid financial framework for its insurance operations, the QBCC has continued to comply with various Australian Prudential Regulatory Authority (APRA) standards that apply to general insurers to the extent that it is reasonable and prudent for the QBCC to do so. (The Queensland Home Warranty Scheme is a statutory insurer and is not regulated by APRA, and therefore is not required to comply with APRA standards). This includes a prudential margin loading in relation to projected future claims to achieve the APRA requirement of a 75 per cent confidence level that the outstanding claims provisions will be adequate.

Building complaints and disputes

The QBCC may be able to help resolve building disputes between home owners and principal contractors. During 2020-2021, these types of building disputes totalled 5,449, of which 4,792 related to works after construction was completed and 657 which were during the construction process. This represented an increase of six per cent from 2019-2020 which totalled 5,148 building disputes.



\* These include total number of directions issued in the reporting period.

^ These relate to complaints related to works after construction was completed.

Early Dispute Resolution

The QBCC offers a free Early Dispute Resolution (EDR) service for domestic building work valued in excess of $3,300, where issues arise between principal contractors and home owners before completion of the contract. Defective building work, non-completion and contractual disputes are handled in the EDR process, although QBCC does not have the remit to be involved in a contractual dispute.

During 2020-2021, the QBCC received 657 EDR cases, with 647 finalised during the reporting period. The number of cases received and cases finalised is not equal as cases can be carried over from previous financial years. The number of cases received in 2020-2021 represents a 15 per cent increase compared to 2019-2020, when 571 cases were received. The increase in EDR cases is likely due to the increase in new construction and renovation works occurring across the state.

Internal review

The QBCC offers a free and independent internal review service to reduce the number of administrative reviews made through QCAT, in accordance with the QBCC Act.

During 2020-2021, we opened 1,010 internal review cases and 995 internal review cases were closed during the reporting period. We also processed cases from previous financial years.

As a result of the internal reviews completed during 2020-2021:

* 558 (56 per cent) original decisions were upheld
* 111 (11 per cent) original decisions were overturned
* 98 (10 per cent) original decisions were varied
* 228 (23 per cent) matters were discontinued.

The QBCC’s Internal Review Unit are required by legislation to make a new decision as if the reviewable (original) decision had not been made.

An ‘upheld’ decision means that the same outcome as the original decision was reached for the same reasons. A ‘varied’ decision means that the same outcome as the original decision was reached, but for different reasons than the original decision.

An ‘overturned’ decision means that a different outcome to the original decision was reached.

Where original decisions are overturned or varied, it can be the result of new information not previously available or further investigation of the matter (such as obtaining new expert reports).

The QBCC discontinued 228 matters because:

* 72 of those matters were outside jurisdiction, as the applications did not relate to a ‘reviewable decision’ or the applicant had also applied to QCAT for external review
* in relation to four of the original decisions purportedly under review, the decision had not yet been made
* applications concerning 70 decisions were withdrawn by the applicant
* one application was closed with no further action taken, because of mistakenly referred correspondence taken to be an application
* 81 applications were not accepted outside the legislated timeframe.

As at 30 June 2021, 64 cases remained open. On average, it took 26 days to process an internal review case in the reporting period.

Customer Feedback Policy

The QBCC’s Customer Feedback Framework provides for the capture and management of service complaints in line with section 219A of the *Public Service Act 2008.* It also complies with the Australian Standard (AS/NZS 10002:2014) about complaint handling, while accommodating additional recommendations of the Office of the Queensland Ombudsman.

Table 23: Customer feedback statistics compared to the previous year

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **Percentage change from the previous year** |
| **Suggestions** | 751 | 625 | 17% decrease |
| **Compliments** | 98 | 130 | 33% increase |
| **Service complaints** | 1,174 | 932 | 21% decrease |

The decrease in feedback cases reflects a continued improvement in the way the QBCC captures cases that accurately reflect the definition of customer complaints. Prompt action was taken in relation to the majority of feedback received. All service complaints were assessed and investigated in accordance with the Customer Feedback Policy, and steps were taken to improve communications and address the concerns where appropriate. Suggestions provided by our customers were also reviewed and actioned, where appropriate.

Conduct complaints

Complaints about the conduct of QBCC staff are referred to the Integrity and Complaints Branch within the QBCC. In the 2020-2021 period, the Integrity and Complaints Branch received 69 referrals of complaints, of which 58 were deemed suitable for managerial action and 11 were referred for investigation. The Queensland Public Service Commission benchmark for completion of matters suitable for managerial action is set at 75 per cent of matters finalised within 51 days. Of the 58 matters, 85 per cent were finalised within the benchmark. The benchmark for matters requiring investigation is set at 139 days. Of the 11 matters referred for investigation, 91 per cent were completed under the benchmark. Three matters required disciplinary intervention.

Implementing the *Human Rights Act 2019* in the QBCC

The QBCC is committed to compliance with, and furthering the objects of, the *Human Rights Act 2019*. In 2020-2021, the QBCC continued to implement steps to identify and address the broader impacts the *Human Rights Act 2019* may have on clients of the QBCC as a result of carrying out its regulatory functions.

In 2020, the QBCC appointed an audit officer to review, assess and make recommendations regarding the compatibility of all relevant policies and procedures with the *Human Rights Act 2019*. Substantial progress has been made in the review process, which is expected to be completed in 2021-2022.

The QBCC captures human rights complaints within its current complaints management system. One complaint was assessed as a potential human rights complaint. The outcome of the complaint assessment was that there had been no limit to the complainant’s human rights and therefore no further action was taken.

## Objective 3: Put our people first, and support and value them

The QBCC’s people are our greatest asset. As is stated in the Strategic Plan, “Our people matter because we can only achieve what we set out to do through our people.” This objective articulates our desire to look after and develop our people. Four strategies have been developed towards this objective. These are:

* Recruit and develop great people – we attract and retain a diverse workforce with the right skills to deliver our mandate
* Performance matters – we recognise and reward high performance and seek continuous improvement
* Culture – we celebrate shared values that promote a positive and productive working environment
* Wellness – we support and mentor our staff.

The QBCC is also committed to respecting, protecting and promoting human rights in our everyday decisions.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 24: Objective 3 performance measures | | | |
|  | **Target** | **Actual** | **Comments** |
| Agency engagement score from the Working for Queensland survey | 85% | 86% |  |
| Agency participation rate in the Working for Queensland survey | Over 90% | 97% |  |
| Percentage of staff turnover | Up to 15% | 13.95% | Turnover includes temporary staff and is within the range of the broader sector. |
| Overall QBCC gender parity | 50%/50% | 44% (M) / 56% (F) |  |
| Gender parity – Senior Leadership Team and Directors | 50%/50% | 47% (M) / 53% (F) |  |
| Gender pay gap | 10% | 8.39% |  |
| Lost time injury frequency rate | Less than 2% | 0 |  |
| Average days lost due to absenteeism | 10 days or less | 9.4 |  |

Workforce profile

As at 30 June 2021, the QBCC employed 523.29 (513.49 active)1 full-time equivalent (FTE) staff across professional, technical and administrative roles against a target of 547 FTE, with 85.6%**2** per cent of our staff providing frontline services.

Table 25: Workplace profile

|  |  |  |  |
| --- | --- | --- | --- |
| **Equal Employment Opportunity (EEO) target groups** | **2018-2019** | **2019-2020** | **2020-2021** |
| Women | 272 | 299 | 297 |
| Aboriginal and Torres Strait Islander | 4 | 5 | 10 |
| People with a disability | 18 | 20 | 18 |
| Culturally and linguistically diverse | 59 | 59 | 71 |

1 MOHRI FTE data for fortnight ending 25 June 2021

2 In 2017-2018, the QBCC adjusted its definition of frontline services to better align with the rest of the Queensland Government.

Table 26: Workforce diversity as at 30 June 2021 (based on substantive position)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level** | **Male** | **Female** | **Total** | **EEO target groups\*** |
| **Administrative A01-A03** | 31 | 53 | 84 | 22 |
| **Administrative A04-A05** | 58 | 132 | 190 | 39 |
| **Middle management A06-A08** | 139 | 101 | 240 | 36 |
| **Executive management SO** | 9 | 5 | 14 | 1 |
| **Executive management SES** | 4 | 6 | 10 | 1 |
| **Percentage of total staff** | 45% | 55% | 100% | 18.4% |

\*The numbers in this column represent the Aboriginal and Torres Strait Islander peoples, people with a disability and people from a non-English speaking background EEO target groups.

Attracting and retaining our workforce

In 2020-2021, the QBCC continued its commitment to attract and retain a skilled and capable workforce. We continued our Employee Value Proposition and introduced key supporting initiatives including:

* introducing a capability development program to support leaders in managing organisational change in the workplace
* changing the Human Resources Service delivery model to better support our leadership teams
* introducing a specific program of workplace training and support for Domestic and Family Violence
* introducing journey mapping and developing the employee experience for staff members
* providing staff various training and learning opportunities through an online platform
* recognising staff for exceptional behaviours demonstrated throughout the year at the QBCC’s end-of-year 2020 celebration and awards ceremony
* offering staff up to five days of paid Cultural Leave, which is beyond what is currently offered across the Queensland Public Service (see Diversity and Inclusion section).

These initiatives, in addition to continuing initiatives already in place, such as Flexible Work Policy, Staff Engagement Strategy, Reward and Recognition procedures and Talent Management Framework, are intended to promote diversity within our workforce and aid long-term succession planning.

The QBCC’s 2020-2021 permanent separation rate was 7.07 per cent.

Keeping our staff safe and healthy

Health and safety are important at the QBCC. In 2020-2021, we took steps to ensure that:

* approximately 90 per cent of our workforce were able to work from home as part of the COVID-19 pandemic response and recovery. The Change4theBetter survey undertaken in April 2021 indicated that 96 per cent of our staff felt that we met, exceeded or far exceeded their support needs during this time
* staff were supported and trained to manage challenging interactions with our customers, de-escalate situations and build resilience
* Health and Safety representatives continued to support and fully represent work groups
* the Wellness Strategy developed in 2019 continues to be a foundation for improving the safety and wellness of our employees
* sufficient office space was available for staff as a result of our expanding responsibilities
* the Work Health and Safety Committee adequately trained all members
* Work Health and Safety issues were recorded, investigated and actioned appropriately
* Annual Safety Management Plan activities were carried out in full
* Toolbox Talks covering a variety of short safety topics were held
* risk management activities were implemented, including health and safety hazard inspections across all office locations
* sufficient first aid officers were available in all office locations
* each office location had adequately trained emergency control members
* staff had access to rehabilitation for work and non-work related injuries or illnesses
* staff had access to the Employee Assistance Program which provides confidential counselling and wellbeing support to all staff and their immediate family members
* flu vaccinations and hepatitis injections were made available to QBCC staff.

Keeping our staff engaged

The QBCC participated in the 2020 Working for Queensland survey which is used across Queensland public service agencies to measure employee perceptions of the workplace climate. The 2020 staff engagement results saw a positive increase, with 86 per cent of our staff reporting a positive or neutral rating compared to the 2019 result which was 82 per cent. Our 2020 staff participation rate was 97 per cent compared to 90 per cent completion in 2019. The survey yielded valuable information on what could be improved, and resulted in action plans across the organisation to continue to enhance the employee experience.

Professional development and career paths

The QBCC maintains a Performance Development Framework to guide the development of staff and ensure the achievement of organisational strategies, business plans and performance outcomes of work teams and individual staff members. Individual performance is reviewed regularly. Formal checkpoints are scheduled half-yearly when individual performance is recorded in Performance Development Plans. The QBCC’s half-way checkpoint was at 94 per cent completion rate, which is above our target of 90 per cent.

The QBCC is committed to encouraging lifelong learning. This is demonstrated through our Study and Research Assistance Scheme (SARAS). It provides support for our staff seeking to gain qualifications to support their work and careers. Two staff members utilised Study Leave only, and eight staff members are being funded through their own business unit’s budgets.

The QBCC Leadership Capability Framework helps define and guide leadership expectations and standards. This incorporates our Emerging Leaders Program that seeks to help individuals develop competencies required of a senior leader, and to enhance succession planning for future leaders. Five staff members attended the Emerging Leaders Program in 2020-2021. The success of the program was demonstrated recently with the internal promotion on merit of one of the program participants. The QBCC will continue with the program in 2022-2023 with the program accepting new nominations.

The QBCC’s Talent Management Framework supports the development of all staff across the organisation. In 2020-2021, the QBCC’s Learning and Development team developed, organised and delivered 200 courses (eLearning, workshops and webinars). This achieved an 86 per cent attendance rate, and 71 per cent completion rate for mandatory e-learning modules. The completion rate was impacted by the introduction of new training modules introduced during the reporting period and the commencement of new staff members. Staff satisfaction for the 2020-2021 year was 95 per cent across the 200 courses delivered.

Diversity and inclusion

The QBCC is committed to promoting an inclusive work culture and environment for our staff and the people we come into contact with on a daily basis. Led by our REDI (Respect, Equity, Diversity and Inclusion) Squad and Reconciliation Action Working Group, the QBCC has acknowledged and/or celebrated a number of events including:

* NAIDOC Week, National Reconciliation Week, National Sorry Day, National Apology Day, National Close the Gap Day and Mabo Day by reflecting, acknowledging and celebrating the history, culture and achievements of Aboriginal and Torres Strait Islander peoples
* International Day Against Homophobia, Transphobia and Biphobia and Intersex Awareness Day
* International Women’s Day and International Men’s Day
* Harmony Week
* ANZAC Day and Remembrance Day, with content distributed to staff to reflect and remember as well as the Last Post sounded in our offices.

Throughout this past financial year, the QBCC continued to champion a number of initiatives supporting diversity and inclusion across our business. The QBCC’s new People Strategy 2021-2022 has a focus on creating, developing and sustaining a personalised employee experience for QBCC staff, built on a shared sense of culture, purpose and inclusivity.

As part of this work, the REDI Squad has begun a process of engaging with employees and seeking external advice to better understand the challenges and opportunities that different diversity cohorts experience across the organisation. The QBCC has partnered with the QUT Business School to seek research and best practice advice from up and coming Human Resource professionals. This work is anticipated to continue into the new financial year with recommendations resulting in real change across the organisation.

The QBCC has successfully delivered its inaugural Reflect Reconciliation Action Plan (RAP) and will move to the next stage of the Reconciliation Action Plan - Innovate. Initiatives delivered under this Reflect Reconciliation Action Plan include:

* a self-assessment and Q&A survey to capture data and measure our staff’s current knowledge and understanding of Aboriginal and Torres Strait Islander cultures, histories and achievements
* an approval to roll-out the SBS Cultural Competence Program (3 Modules)
* developing and implementing a communications plan to raise awareness amongst all QBCC staff about our RAP commitments
* developing a communications plan to raise awareness both internally and externally, including publishing social media updates
* updating the QBCC’s internal policy to enable Aboriginal and Torres Strait Islander employees to take up to five days of paid Cultural Leave
* publishing various cultural documents including the RAP Terms of Reference, Acknowledgement of Country Options, Welcome and Acknowledgement of Country Procedure, Cultural Language Guideline and QBCC Cultural Protocol
* promoting the Acknowledgement of Country and the significance of our Aboriginal and Torres Strait Islander history and cultures in publications, on our external website and internal channels.

Through this and future Reconciliation Action Plans, we aim to deepen our understanding, respect and support for Aboriginal and Torres Strait Islander peoples in our communities.

Early retirement, redundancy and retrenchment

No redundancy, early retirement or retrenchment packages were paid during the period.

Industrial and employee relations

The QBCC has an ongoing positive relationship with the Together Union. Agency Consultative Committee meetings are held every six weeks and are attended by Together Union and the QBCC’s management representatives. We work collaboratively with the Union to ensure an effective public sector, delivering quality services to Queenslanders. We also ensured Human Resources policies reflected current industrial instruments and consistency with the *Industrial Relations Act 2016*.

## Objective 4: Be efficient and financially sustainable

To remain financially stable, the QBCC endeavours to operate productively while achieving our goals. We need to embrace and use appropriate technology and the ingenuity of our people to overcome obstacles and challenges in the pursuit and achievement of our goals. We also recognise our fiduciary duty as a public sector organisation to properly manage and be accountable for the use of data, information and public funds, in delivering on the work set out by the government. This objective captures that goal. Our strategies include:

* financial management – we manage our finances responsibly
* operational excellence – we are efficient with our governance controls
* information and technology enabled – we use information and technology to improve everything we do.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Table 27: Objective 4 performance measures | | | | | |
|  | **Target** | | **Actual** | **Comments** | |
| Financial management – Achieve budget +/- 5% | See Financial Performance section in the Annual Report on page 39. | | | | |
| Divisions to identify annual budget efficiency savings of 5% | See Financial Performance section in the Annual Report on page 39. | | | | |
| IT services – post release satisfaction | 80% | 99% | | |  |
| IT services - Help desk satisfaction | 85% | 94.8% | | |  |

Insights-Driven Regulator

The QBCC remains committed to delivering on the Insights-Driven Regulator (IDR) program to ensure the QBCC becomes a more efficient and effective risk-based regulator, with a corresponding uplift in staff capability. The proposed five-year delivery timeline for the IDR project anticipated full implementation of the IDR program in 2023.

The QBCC has developed data architecture and visualisation tools that enable early warning and detection capability of:

* early detection of insolvency / licensee risk model
* defective work disputes to claims
* licensee risk model
* compliance intelligence dashboard.

Further development of dashboards and the integration of insights into the business is now a focus.

Risk and issue management

The QBCC is moving towards its vision of becoming an insights-driven, risk-based regulator and is in the process of more effectively utilising data, trends and analytics to inform our regulatory activities.

The QBCC continues to follow a strategic risk approach that focuses on managing and mitigating regulatory risk (industry non-compliance and insurance fund management issues) and corporate risk (human resources, systems and data, governance, reputation and financial management, and sustainability issues).

The Risk and Governance Committee continued to provide the Executive Team with a valuable forum to undertake collaborative quarterly risk assessment and risk-based decision making. Following a resolution by the QBC Board, the Board Finance, Audit and Risk Committee was split to create two Board committees – Finance and Audit Committee and the Risk Committee. Quarterly risk assessment reporting through the Executive Team Risk and Governance Committee to the Board Risk Committee and the QBC Board continued in the 2020-2021 reporting period.

In 2020-2021, the QBCC implemented an integrated electronic Risk Management Tool which supports clear accountability and oversight of risk, control and treatment actions ownership. The QBCC reviewed the strategic risks as part of the strategic planning process. This process supported the QBCC to identify emerging risks, manage risks against organisational objectives and realise opportunities which would enhance service delivery.

The QBCC continued to strengthen its commitment to the prevention of fraud and corruption through fraud awareness training and the continuation of fraud and corruption risk assessments and reporting. Educational activities included providing materials and support to managers to ensure their teams continued to thrive while working remotely during the COVID-19 pandemic. An online reporting tool, iDeclare, was launched to enable employees to make necessary declarations of Conflict of Interest, Secondary Employment, and Gifts and Benefits. Please see section Acting ethically and responsibility – integrity matters and declarations for more about iDeclare.

Internal and external audits

Over the 2020-2021 reporting period, the QBCC’s internal auditors, O’Connor Marsden & Associates (OCM), undertook internal audits in the areas of IT planning, Governance and Assurance, COVID-19 Response, Information Management, and Risk Maturity Assessment.

The Queensland Audit Office (QAO) is the QBCC’s external auditor under the terms of the *Financial Accountability Act 2009*.

Prudent investment management

The Finance and Audit Committee is responsible for monitoring the performance of its fund managers, Queensland Investment Corporation and Queensland Treasury Corporation. The Committee monitors performance through advice from the QBCC’s fund managers, the QBCC’s Executive Team and economic information from other relevant sources.

The QBCC’s Investment Policy was reviewed and approved in November 2020. As a minimum, the policy is reviewed annually. Our investment powers are governed by the *Statutory Bodies Financial Arrangements Act 1982*.

Right to information and information privacy

The QBCC is committed to compliance with the objects of the *Right to Information Act 2009* (RTI Act) and the *Information Privacy Act 2009* (IP Act). To do this, the QBCC has a stand-alone permanent unit of officers, including independent decision makers.

In 2020-2021, we finalised 250 applications under the RTI and IP Acts with 141,279 pages and 264 audios assessed. Of the documents assessed, 123,092 pages were released in full and 6,954 were partially released. There were 194 audios released in full and 31 partially released to QBCC applicants. There was one IP Amendment application finalised.

The QBCC Administrative Access Policy (AA) supports the proactive disclosure of information. This allows us to give access to certain types of information, as a matter of course that is not considered contrary to the public interest, without the need for a formal application. We finalised 164 AA requests in 2020-2021, releasing 3,917 pages and two audios to QBCC customers.

Chapter 5 of the IP Act enables an individual to make a complaint about an agency’s breach of the privacy principles within 12 months of the alleged breach. A privacy complaint form is available on our website. Two privacy complaints were received in the reporting period.

Open Data

The QBCC is required to publish certain annual report content through the Queensland Government’s Open Data portal at <https://data.qld.gov.au>. The information published relates to:

* consultancies
* Queensland Language Service Policy.

An overseas travel expenditure for the 2020-2021 reporting period was not required due to overseas travel not being undertaken by any officers of the QBCC.

Records management

The QBCC captured approximately 2.6 million records in 2020-2021, 69 per cent through automation. During the reporting period, the QBCC also upgraded its records management platform, Enterprise Content Management, to better enable access in a more dispersed working environment brought about by the COVID-19 pandemic.

Additionally, the QBCC records management framework was updated to give staff additional guidance on appropriate digital recordkeeping while working from home, as well as the drafting and testing of several records-related procedures.

The QBCC has initiated work on improvements to its retention schedule for core business records resulting from the implementation of new regulatory provisions as part of the BIFOLA change framework, including project trust accounts and safer buildings. To this end, the QBCC is working to automate, enhance and ensure compliance with regards to these new legislative requirements.

# Corporate Governance

The following section highlights the responsibilities and practices that are used by the QBCC to provide direction, manage risks and use resources responsibly.

Role and responsibilities of the Board

As at 30 June 2021, there were 10 independent, non-executive members on the Board. Board members are appointed by the Governor in Council under the QBCCAct for a three-year term.

At the highest level of governance, the Board carries out its duties in accordance with:

* the *Queensland Building and Construction Commission Act 1991*
* the Queensland Building and Construction Board Charter
* the Queensland Cabinet Handbook
* the highest levels of ethics and corporate governance.

Board meetings

Ordinary meetings of the Board are scheduled monthly. Recognising the need to be flexible and adapt to changing environments and circumstances, the Board can consider routine matters out of session by flying minute or by way of an extraordinary Board meeting where the matter is complex or requires fulsome discussion.

A summary of attendance of Board members at ordinary and extraordinary Board meetings is set out in Table 28.

### Committee meetings

To facilitate its efficient operation, the Board has six committees:

* Finance and Audit Committee
* Risk Committee
* Regulatory and Resolution Committee
* People and Culture Committee
* Insurance Committee
* Stakeholder Advisory Committee.

Each committee operates to a charter which outlines its purpose, duties, responsibilities, membership, authority and meeting requirements.

Table 28: Board member attendance and remuneration 2020-2021

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Queensland Building and Construction Board** | | | | | |
| Act or instrument | *Queensland Building and Construction Commission Act 1991* | | | | |
| Functions | Governing body of the Queensland Building and Construction Commission | | | | |
| Achievements | * Endorsed and supported internal redesign efforts to achieve meaningful improvements in service delivery and culture, including the functional realignment of the QBCC * Provided oversight of the performance and operations of the QBCC. | | | | |
| Financial reporting | Transactions of the entity are accounted for in the financial statements. | | | | |
| **Remuneration** | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee2 | Approved sub-committee fees if applicable | Actual fees received3 |
| Chair | R. L. Williams | 32 | $50,000 | N/A | $55,000 |
| Deputy Chair | Michelle James | 20 | $25,000 | N/A | $27,000 |
| Member | Lesley Anderson | 22 | $25,000 | N/A | $27,000 |
| Member | Andrew Hickman | 13 | $25,000 | N/A | $27,000 |
| Member | Jade Ingham | 14 | $25,000 | N/A | $27,000 |
| Member | Brett Schimming | 24 | $25,000 | N/A | $27,000 |
| Member | Robert Schwarten | 17 | $25,000 | N/A | $27,000 |
| Member | Debra Johnson | 18 | $25,000 | N/A | $27,000 |
| Member | Cath Brokenborough | 19 | $25,000 | N/A | $27,000 |
| Member | Meg Frisby | 15 | $25,000 | N/A | $27,000 |
| No. scheduled meetings/sessions | R. L. Williams – 33  Michelle James – 23  Lesley Anderson – 22  Andrew Hickman – 17  Jade Ingham – 17  Brett Schimming – 27  Robert Schwarten – 17  Debra Johnson – 18  Cath Brokenborough – 23  Meg Frisby - 17 | | | | |
| Total out of pocket expenses | $15,518. Other operational costs totalled $288,8294. | | | | |

2 Approved fees do not include superannuation amounts.

3 Actual fees include superannuation amounts.

4 In 2020-2021, the QBC Board used consultants for advice on multiple matters. This was also the first full financial year with 10 members and related fees.

Finance and Audit Committee

In 2021, the previous Finance, Audit and Risk Committee had its functions separated to allow for an improved governance arrangement, resulting in a separate committee for the Finance and Audit functions, and a new Risk Committee.

The Finance and Audit Committee provides independent comment, advice and counsel to the Board on the suitability of the QBCC’s accountability and control framework, including audit and audit-related findings, and financial planning and reporting, and associated policies.

The Committee comprised Lesley Anderson (Committee Chair), Michelle James, Brett Schimming and R. L. Williams.

The Committee’s core duties are to:

* provide independent advice to the Board on the adequacy, timeliness and reliability of the QBCC’s operations and systems, including audit planning processes, corporate governance, internal audit, compliance with legislation and statutory obligations and ethical conduct and probity
* consider matters related to the QBCC’s financial affairs
* review and evaluate the QBCC’s risk management framework and procedures, including contingency planning until 1 April 2021.

In 2020-2021, the Committee met five# times and conducted the following activities:

* reviewed and monitored the QBCC’s internal and external audit activities
* reviewed and monitored the monthly financial results and variations in the budget
* ensured the financial report is completed within legislated timeframes
* reviewed and monitored the preparation of the 2020-2021 annual budget.

Risk Committee

The Risk Committee oversees and advises the Board on the QBCC’s responsibilities regarding oversight of the QBCC’s structures, systems and processes to manage risk and compliance with legislative, regulatory and other obligations.

The Committee comprised Debra Johnson (Committee Chair), R. L. Williams, Michelle James and Cath Brokenborough.

The Committee’s core responsibilities are to:

* ensure that the QBCC has appropriate risk management frameworks, systems and monitoring mechanisms in place
* ensure that the QBCC has appropriate compliance management frameworks, systems and monitoring mechanisms in place to ensure that the QBCC complies with its legislative, regulatory and internal policy requirements
* review the QBCC’s risk profile and risk appetite in light of the QBCC’s strategic direction
* liaise with other Board Committees regarding the monitoring of risks that fall within their charters
* assist and contribute to the QBCC’s internal and external audit planning processes relating to risk
* review the QBCC’s insurance on an annual basis.

Regulatory and Resolution Committee

The Regulatory and Resolution Committee supports the Board by overseeing and advising on the QBCC’s licensing regulatory framework and systems.

The Committee comprised Michelle James (Committee Chair), Meg Frisby, Andrew Hickman, Debra Johnson, Robert Schwarten and R. L. Williams.

The Committee was responsible for providing support to the Board by overseeing and providing advice on issues relating to:

* ensuring that the licensing framework continues to meet the needs of the industry and practices in the training industry
* ensuring that the regulatory framework adds value to the building and service trades sectors and continues to protect consumers and industry
* ensuring that appropriate resolution systems are in place to handle disputes fairly and equitably
* ensuring that appropriate mechanisms are in place to educate contractors on their rights and responsibilities
* ensuring that current processes pertaining to dispute resolution, compliance and enforcement deliver effective regulation in response to current legislation.

People and Culture Committee

The People and Culture Committee ensures that the QBCC establishes appropriate people and culture strategies and policies consistent with business requirements. The Committee also embeds a culture of accountability, participation, customers and community, creativity, delivering value and safety.

The Committee comprised Cath Brokenborough(Committee Chair), Jade Ingham, Brett Schimming and R. L. Williams.

The Committee is charged with advisory and decision-making functions, and duties in the following areas:

* nominations and appointments for senior leadership roles
* remuneration and evaluation
* succession plans
* organisational structure
* organisational change
* workplace health and safety.

Insurance Committee

The Insurance Committee provides advice to the Board on the performance and issues relating to the Home Warranty Scheme.

The Committee comprised Brett Schimming (Committee Chair), Lesley Anderson, Cath Brokenboroughand R. L. Williams.

The Committee’s duties and responsibilities include:

* monitoring and reporting to the Board on the performance of the Scheme
* reviewing the Scheme in the context of the economic and environmental climate conditions
* ensuring substantial compliance with APRA standards in accordance with the QBCC’s Risk Management Framework
* ensuring that the QBCC is effective in responding to insolvency events in the domestic building sector
* monitoring the QBCC’s claims administration to ensure that efficient results are being achieved
* monitoring underwriting principles to make sure the scheme achieves sound results
* collaborating with reinsurers in the performance of the Scheme and monitoring reinsurance agreements
* monitoring and reporting to the Board with regards to the actuarial assessment of the Scheme on any action required to ensure that the Scheme remains viable and effective.

Stakeholder Advisory Committee

The Stakeholder Advisory Committee was established to enhance the operational efficiency of the QBCC by obtaining stakeholder feedback and making recommendations to the Board, allowing feedback to be addressed in a timely and appropriate manner.

The Committee comprised Robert Schwarten (Committee Chair), Meg Frisby, Debra Johnson, R. L. Williams and key external stakeholders.

The Committee fulfils the following functions:

* providing a forum where views about the conduct of operational matters can be aired, examined, debated and recommendations developed
* encouraging stakeholder feedback, whether negative or positive, to allow for a timely organisational response that respects confidentiality and addresses the issue to the satisfaction of the Committee
* identifying and developing a clear channel of communication that offers committee members the opportunity to bring forward issues to relevant officers of the QBCC in-between meeting dates
* welcoming new ideas and initiatives that will enhance the operational efficiency of the QBCC and strengthen the service delivery of the organisation.

Many of the members of the Committee already have regular dialogue with the QBCC as part of their industry liaison or sit on the Ministerial Construction Council. Consequently, given there were no new agenda items referred that were not being dealt with already, and as a result of the COVID-19 pandemic, it was not necessary to convene this Committee.

**Notes for this section on Committees:**

# The frequency of meetings convened is reported in line with the Annual Report Requirements.

**Service Trades Council**

The Council consists of members appointed through a Governor in Council process for a four-year term. Under Section 106 of the PD Act, the Council has the following functions:

1. conferring on national policy development and implementation for the plumbing and drainage trade
2. reporting to the Minister on any issue relating to the plumbing and drainage trade:
   1. the Minister refers to the Council or
   2. any issue the Council considers the Minister should know about
3. making recommendations to the Commissioner about the performance of the Commissioner’s functions under the PD Act
4. establishing a panel of the Council to assist the Commissioner to effectively and efficiently perform the Commissioner’s functions under Part 2, Divisions 1 to 7 of the PD Act
5. establishing other panels to assist the Council to effectively and efficiently perform its functions
6. reviewing decisions of the Commissioner made under Section 51 of the PD Act

(Note: The Council reviews decisions under the QBCC Act, Section 86C as an internal reviewer.)

1. performing other functions relating to the plumbing and drainage trade given to the Council under the PD Act or another Act.

In 2020-2021, in accordance with its functions under the PD Act, the Council:

* was re-established in June 2020 and welcomed its new members to the first meeting on 23 July 2020
* replaced the former Complex Licensing Panel with the Service Trades Licensing Advisory Panel to better align the panel to its purpose and function
* prepared an educational video in response to concerns about passive fire defects
* progressed hot water heater educational videos
* endorsed changes to the technical qualifications for the restricted water plumber – electrical licence
* provided feedback on proposed legislation changes
* facilitated consultation to industry on matters affecting the treatment of on-site sewerage
* delivered educative forums both in-person and online.

Table 29: Service Trades Council member attendance and remuneration 2020-2021

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service Trades Council** | | | | | |
| Act or instrument | *Plumbing and Drainage Act 2018* | | | | |
| Functions | Advisory body | | | | |
| Achievements | * Acting as the internal review mechanism for licensees who have received disciplinary action under the *Plumbing and Drainage Act 2018* * Reporting to the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, and making recommendations to the Commissioner of the QBCC about matters relevant to the plumbing and drainage trade. | | | | |
| Financial reporting | Transactions of the entity are accounted for in the Financial Statements. | | | | |
| **Remuneration** | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received^ |
| Chair | Penny Cornah | 6 | $390 | N/A | $0 |
| Deputy Chair | Janet Cumming | 6 | N/A | N/A | $0 |
| Member | Glen Chatterton | 6 | $300 | N/A | $1,314 |
| Member | Michelle Kennedy | 5 | N/A | N/A | $0 |
| Member | Greg Moore | 6 | N/A | N/A | $0 |
| Member | Anne Neuendorf | 4 | N/A | N/A | $0 |
| Member | Gary O’Halloran | 4 | $300 | N/A | $0 |
| Member | Adrian Shackleton | 5 | $300 | N/A | $1,317 |
| Member | Sharon Simmers | 5 | N/A | N/A | $0 |
| Member | Geoff Woodall | 4 | N/A | N/A | $0 |
| Member | Assistant Commissioner, Service Trades and Regulatory, QBCC | 6 | N/A | N/A | $0 |
| No. scheduled meetings/sessions | 6 | | | | |
| Total out of pocket expenses | $0. Other operational costs totalled $7,382. | | | | |

^Actual fees include superannuation amounts.

### Executive Team

The QBCC’s Executive Team is led by the Commissioner and is responsible for implementing the QBCC’s strategy and day-to-day operations. The team met regularly in 2020-2021 to discuss and approve a range of strategic and operational matters with the purpose of achieving the objectives set out in our strategic and operational plans.

### Acting ethically and responsibly

*Public Sector Ethics Act 1994* and the Code of Conduct

The QBCC follows the principles and values of the *Public Sector Ethics Act 1994* as well as our corporate behaviours. Board members, associated advisory committees and QBCC staff are expected to maintain the highest ethical standards in discharging their responsibilities and duties. All existing employees and new starters are required to complete mandatory training across key integrity e-learning modules in:

* Code of Conduct
* fraud and corruption
* public interest disclosure awareness
* conflict of interest and secondary employment policy and procedure
* privacy awareness and managing public records
* workplace bullying and harassment
* workplace health and safety – induction, wellbeing and awareness
* customer feedback policy, customer engagement policy and social media policy.

Integrity matters and declarations

The QBCC maintains a Conflict of Interest Policy and Procedure (CIPP) that applies to all staff, external contractors and Board members. The purpose of the CIPP is to raise awareness and provide a consistent framework for the identification, management and reporting of all conflicts of interest and potential conflicts of interest with the QBCC.

Each quarter, we publish on our website a reportable gifts and benefits register arising from declarations made by our employees. In July 2020, the QBCC launched a new reporting tool called iDeclare that allows staff to easily make their conflict of interests, secondary employment and reportable gifts and benefit declarations. Roadshows were conducted in July and August 2020 to promote the use of the tool to staff.

The CIPP details staff obligations to declare perceived or actual conflicts of interest and information about where and when they can occur. The Commissioner is responsible for managing the CIPP.

Corrupt conduct and public interest disclosures

The QBCC maintains a policy that establishes procedures for the effective reporting of corrupt conduct and the effective administration of public interest disclosures. Of the 69 conduct cases received, suspected corrupt conduct was identified in eight cases and seven have been subsequently closed. These eight cases were referred to the Crime and Corruption Commission for their independent assessment.There were five cases that involved an employee making a public interest disclosure.

The Commissioner must refer all complaints to the Crime and Corruption Commission (CCC) where the Commissioner suspects corrupt conduct. The QBCC has no power to deal with such matters unless they are assessed by the CCC and referred back to us from the CCC for action, which may include ongoing monitoring by the CCC.

The Commissioner has a duty to report all cases assessed as a public interest disclosure. Public interest disclosures are reported to the Queensland Ombudsman via the public interest disclosure database.

### External scrutiny

In 2020, the Queensland Audit Office (QAO) issued a performance audit report assessing how the QBCC effectively regulates the building and construction industry by issuing and managing licences in a fair and balanced way (Report 16: Licensing builders and building trades). The report contained 11 recommendations ‘to help the QBCC become a stronger and more effective regulator’. The QBCC has implemented the majority of recommendations in the report within the required timeframes.

Some recommendations require significant business change and will take longer to implement. Their delivery has been incorporated into the QBCC’s broader transformation agenda. The Transport and Resources Committee report, ‘Examination of Auditor-General Report 16 2019-20 - Licensing Builders and Building Trades’ (tabled on 28 July, 2021) concluded that the Committee was satisfied that the QBCC is taking appropriate action to address the Auditor-General’s recommendations.

Following the QAO’s recent introduction of a new online self-assessment system, all agencies were requested to use the system to self-assess progress on implementing relevant audit recommendations in reports issued between 2015 and 2018. The QBCC undertook a self-assessment on recommendations contained in the Fraud Risk Management Report 6: 2017-18 (Fraud Risk Report). The QBCC reported that all recommendations have been implemented resulting in increased maturity in fraud risk management systems in recent years.

Financial Performance

The following pages provide details around the QBCC’s financial performance in 2020-2021.

## Summary of financial performance

The QBCC returned a surplus of $61.16 million in 2020-2021 and has a strong net asset position of $195.243 million.

Total income was $303.31 million, 54.5 per cent higher than 2019-2020. Income was predominately higher due to the performance of the investment markets with a return of over 18 per cent, a difference of $37.74 million. The increased activity in the housing sector has resulted in increased income from license renewals and applications, as well as insurance premiums.

Total expenditure was $242.15 million, 24.5 per cent higher than 2019-2020. This increase is primarily due to the increase in the number of insurance policies issued, creating an increase in expenditure for reinsurance and provisions for future claims under the Queensland Home Warranty Scheme.

**The QBCC financial statements can be found in the PDF version of the Annual Report 2020-2021**

# Glossary

|  |  |
| --- | --- |
| AA | Administrative Access |
| AASB | Australian Accounting Standards Board |
| ALP | Australian Labor Party |
| APRA | Australian Prudential Regulatory Authority |
| ARRs | Annual Report Requirements for Queensland Government agencies |
| ATO | Australian Taxation Office |
| BERT | Building Employees Redundancy Trust |
| BIF Act | *Building Industry Fairness (Security of Payment) Act 2017* |
| BIFOLA | *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020* |
| BIF Regulation | Building Industry Fairness (Security of Payment) Regulation 2019 |
| Board | Queensland Building and Construction Board |
| CCC | Crime and Corruption Commission |
| CCPD | Compulsory Continuing Professional Development |
| CIPP | Conflict of Interest Policy and Procedure |
| CPD | Continuing Professional Development |
| DEPW | Department of Energy and Public Works |
| EDR | Early Dispute Resolution |
| EEO | Equal Employment Opportunity |
| FAA | *Financial Accountability Act 2009* |
| FBT | Fringe Benefits Tax |
| FPMS | Financial and Performance Management Standard 2019 |
| FTE | Full-time equivalent |
| GST | Goods and Services Tax |
| HIA | Housing Industry Association |
| IDR | Insights-Driven Regulator |
| IP Act | *Information Privacy Act 2009* |
| KMP | Key Management Personnel |
| MCC | Ministerial Construction Council |
| MFR | Minimum Financial Requirements |
| NAWIC | National Association of Women in Construction |
| NCBP | Non-Conforming Building Products |
| PD Act | *Plumbing and Drainage Act 2018* |
| PSI | Pool Safety Inspector |
| QAO | Queensland Audit Office |
| QBCC | Queensland Building and Construction Commission |
| QBCC Act | *Queensland Building and Construction Commission Act 1991* |
| QBCEO | Queensland Building and Construction Employing Office |
| QCAT | Queensland Civil and Administrative Tribunal |
| QIC | Queensland Investment Corporation |
| QTC | Queensland Treasury Corporation |
| RAP | Reconciliation Action Plan |
| REDI | Respect, Equity, Diversity, Inclusion |
| REMS | Reinsurance Management Strategy |
| RTI Act | *Right to Information Act 2009* |
| SARAS | Study and Research Assistance Scheme |

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# Compliance Checklist

| **Summary of requirement** | | **Basis for requirement** | **Annual report reference** |
| --- | --- | --- | --- |
| **Letter of compliance** | * **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s** | ARRs *–* section 7 | 1 |
| **Accessibility** | * **Table of contents** * **Glossary** | ARRs – section 9.1 | iii  102 |
| * **Public availability** | ARRs – section 9.2 | ii |
| * **Interpreter service statement** | *Queensland Government Language Services Policy*  ARRs – section 9.3 | ii |
| * **Copyright notice** | *Copyright Act 1968*  ARRs – section 9.4 | ii |
| * **Information Licensing** | *QGEA – Information Licensing*  ARRs – section 9.5 | ii |
| **General information** | * **Introductory Information** | ARRs – section 10 | 2 |
| **Non-financial performance** | * **Government’s objectives for the community and whole-of-government plans/specific initiatives** | ARRs – section 11.1 | 2 |
| * **Agency objectives and performance indicators** | ARRs – section 11.2 | 10-32 |
| * **Agency service areas and service standards** | ARRs – section 11.3 | 10-32 |
| **Financial performance** | * **Summary of financial performance** | ARRs – section 12.1 | 39 |
| **Governance – management and structure** | * **Organisational structure** | ARRs – section 13.1 | 5 |
| * **Executive management** | ARRs – section 13.2 | 5 |
| * **Government bodies (statutory bodies and other entities)** | ARRs – section 13.3 | 34, 37 |
| * **Public Sector Ethics** | *Public Sector Ethics Act 1994*  ARRs – section 13.4 | 38 |
| * **Human Rights** | *Human Rights Act 2019*  ARRs – section 13.5 | 27 |
| * **Queensland public service values** | ARRs – section 13.6 | 2  (found on our Strategic Plan) |
| **Governance – risk management and accountability** | * **Risk management** | ARRs – section 14.1 | 33 |
| * **Audit committee** | ARRs – section 14.2 | 33 |
| * **Internal audit** | ARRs – section 14.3 | 33 |
| * **External scrutiny** | ARRs – section 14.4 | 38 |
| * **Information systems and recordkeeping** | ARRs – section 14.5 | 32 |
| * **Information Security attestation** | ARRs – section 14.6 | Not applicable |
| **Governance – human resources** | * **Strategic workforce planning and performance** | ARRs – section 15.1 | 29-30 |
| * **Early retirement, redundancy and retrenchment** | Directive No.04/18 *Early Retirement, Redundancy and Retrenchment*  ARRs – section 15.2 | 30 |
| **Open Data** | * **Statement advising publication of information** | ARRs – section 16 | 32 |
| * **Consultancies** | ARRs – section 33.1 | https://data.qld.gov.au |
| * **Overseas travel** | ARRs – section 33.2 | 32 |
| * **Queensland Language Services Policy** | ARRs – section 33.3 | https://data.qld.gov.au |
| **Financial statements** | * **Certification of financial statements** | FAA – section 62  FPMS – sections 38, 39 and 46  ARRs – section 17.1 | 98 |
| * **Independent Auditor’s Report** | FAA – section 62  FPMS – section 46  ARRs – section 17.2 | 99 |

FAA *Financial Accountability Act 2009*

FPMS Financial and Performance Management Standard 2019

ARRs Annual report requirements for Queensland Government agencies

1. As per Schedule 2 Building Industry Fairness (Security of Payment) Regulation 2017 [↑](#footnote-ref-2)
2. Number includes plumbers and drainers holding occupational plumbing/drainage licences under the PD Act who may also hold plumbing/drainage contractor licences under the QBCC Act. [↑](#footnote-ref-3)