

## 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 QBCC Act 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.

### FINANCE AND AUDIT COMMITTEE

In 2021, the previous Finance, Audit and Risk Committee had its functions separated to allow for a better 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.

In 2020-2021, the Committee met five<sup>#</sup> 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.

TABLE 28: BOARD MEMBER ATTENDANCE AND REMUNERATION 2020-2021

QUEENSLAND BUILDING AND CONSTRUCTION BOARD					
Act or instrument	<i>Queensland Building and Construction Commission Act 1991</i>				
Functions	Governing body of the Queensland Building and Construction Commission				
Achievements	<ul style="list-style-type: none"> <li>• Endorsed and supported internal redesign efforts to achieve meaningful improvements in service delivery and culture, including the functional realignment of the QBCC</li> <li>• Provided oversight of the performance and operations of the QBCC.</li> </ul>				
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 <sup>2</sup>	APPROVED SUB- COMMITTEE FEES IF APPLICABLE	ACTUAL FEES RECEIVED <sup>3</sup>
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 \$288,829 <sup>4</sup> .				

<sup>2</sup> Approved fees do not include superannuation amounts.<sup>3</sup> Actual fees include superannuation amounts.<sup>4</sup> 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.

## 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 Brokenborough and 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:

- a) conferring on national policy development and implementation for the plumbing and drainage trade
- b) reporting to the Minister on any issue relating to the plumbing and drainage trade:
  - i. the Minister refers to the Council or
  - ii. any issue the Council considers the Minister should know about
- c) making recommendations to the Commissioner about the performance of the Commissioner's functions under the PD Act
- d) 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
- e) establishing other panels to assist the Council to effectively and efficiently perform its functions
- f) 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.)

- g) 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	<i>Plumbing and Drainage Act 2018</i>				
Functions	Advisory body				
Achievements	<ul style="list-style-type: none"> <li>Acting as the internal review mechanism for licensees who have received disciplinary action under the <i>Plumbing and Drainage Act 2018</i></li> <li>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.</li> </ul>				
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 <sup>^</sup>
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.				

<sup>^</sup>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
- privacy awareness and managing public records
- workplace bullying and harassment
- workplace health and safety – induction, wellbeing and awareness
- customer feedback policy and unreasonable conduct, disengagement and social media.

### 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.