

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

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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 REGULATION

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 table below sets out the total 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	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%

¹As per Schedule 2 Building Industry Fairness (Security of Payment) Regulation 2017

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 Act allows 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.

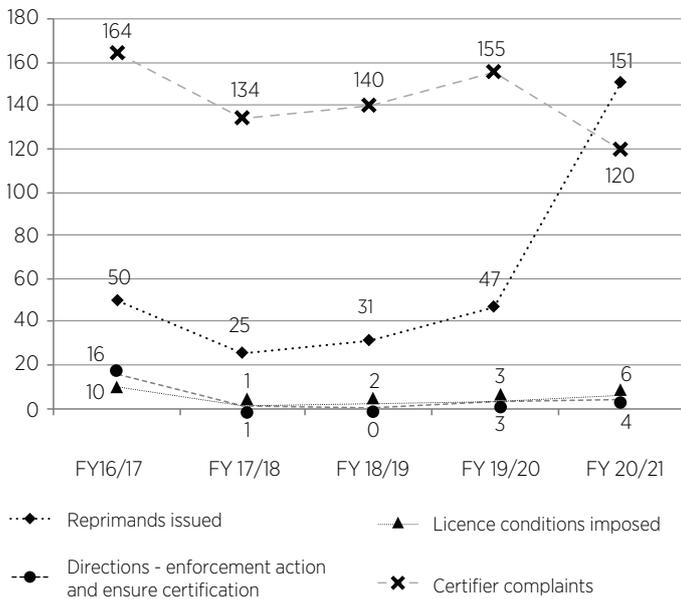
CERTIFIER COMPLIANCE

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.

CERTIFIER COMPLIANCE AND COMPLAINTS RECEIVED OVER THE PAST FIVE YEARS



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 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's 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.