

OBJECTIVE 2: DELIVER REGULATORY AND INSURANCE SERVICES THAT ARE TIMELY, ACCURATE, FAIR AND TRANSPARENT

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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 overturned 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%	

TABLE 17: OBJECTIVE 2 PERFORMANCE MEASURES CONTINUED

	TARGET	ACTUAL	COMMENTS
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 professional 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

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

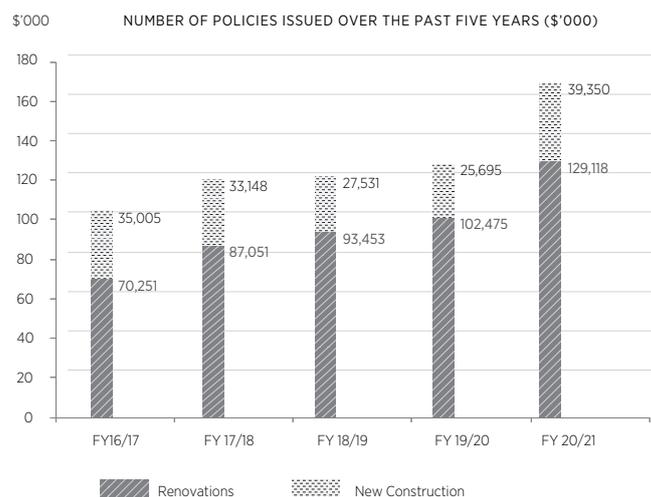
LICENCE TYPE	NUMBER OF LICENSEES
Medical gas	301
Mechanical plumbing	817
Air-conditioning and refrigeration	3,455

²Number 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.

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.

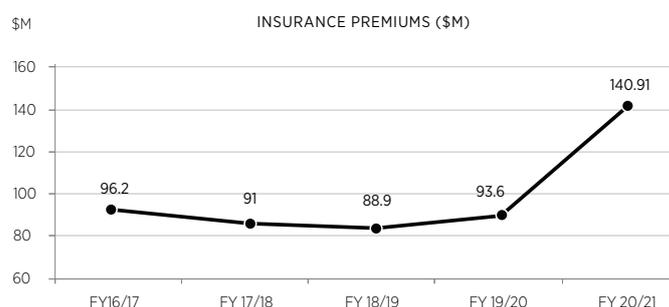


*As at 28 October 2016, the type of work covered by the Queensland Home Warranty Scheme was expanded. The introduction of cover for manufactured homes, which was previously excluded, resulted in an increase in policies covered under the “New construction” data. The introduction of cover for swimming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

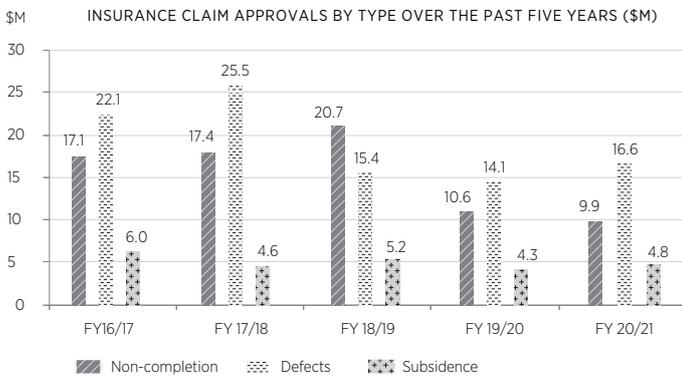
The number of new builds in 2019-2020 was the lowest since the Global Financial Crisis. In 2020-2021, 39,350 policies were taken out for new builds, largely due to the HomeBuilder stimulus. The new build sector went from the bottom of the cycle to the top of the cycle, reaching near record levels of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

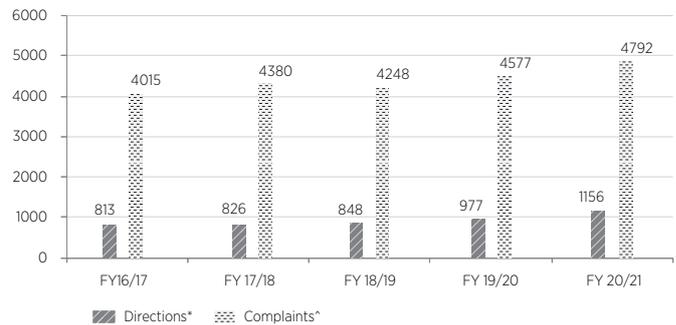
The QBCC holds licensees responsible for monies-owed as a result of claims made against the Queensland Home Warranty Scheme. While most of the claims made against the Scheme are unrecoverable due to builder insolvency, where possible, the QBCC will attempt to recover the money owed. We recovered close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

COMPLAINTS AND DIRECTIONS OVER THE PAST FIVE YEARS



* 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 the Queensland Government's policy under section 219A in 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.