The following section highlights our performance against the five objectives contained in the QBCC Strategic Plan 2018–2022.

**OBJECTIVE 1**

**Promote integrity and probity in the building and construction industry**

Company insolvencies, non-payment of subcontractors, illegal phoenix activities, safety incidences at worksites, and potential harm from non-complying building products pose significant threats to the confidence of the building and construction industry. In the 2018–2019 reporting period, the QBCC undertook a range of activities to mitigate or reduce harms and losses experienced by industry participants.

Our 2018–2019 strategies included:

- developing and implementing risk-based frameworks focusing on building works and the financial health of trade contractors
- delivering education and engagement activities leading to increased understanding of changes
- partnering with industry to mitigate potential market failure.

### TABLE 1 | OBJECTIVE 1 SUCCESS MEASURES

<table>
<thead>
<tr>
<th>Supporting measures</th>
<th>Target</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key result area: compliance effectiveness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry compliance with QBCC-administered legislation</td>
<td></td>
<td>With the introduction of new Minimum Financial Requirements Regulation, and enhanced Non-conforming Building Products powers, a decision was made to report on our performance against these measures. Measures regarding directions for non-conforming building products and Minimum Financial Requirements Regulation are new, and were introduced during the reporting period.</td>
<td></td>
</tr>
<tr>
<td>1. Directions complied with for remedial action in respect of non-conforming building products</td>
<td>New measure</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>2. Category 4 to 7 licensee submission of financial information to the QBCC</td>
<td>New measure</td>
<td>97%</td>
<td></td>
</tr>
<tr>
<td>3. Tradie tour satisfaction</td>
<td>90%</td>
<td>96%</td>
<td></td>
</tr>
<tr>
<td>4. Directions to rectify defective building work</td>
<td>100%</td>
<td>61%</td>
<td>This figure excludes instances where compliance was not possible, for example, where a licence has been cancelled or suspended, or where a licensee has liquidated during the process. As there are many variables that could impact on performance, this is the last year that we will be reporting on compliance with directions to rectify as a specific item, but will continue to look at the broader issue of assisting the industry to comply with the law.</td>
</tr>
</tbody>
</table>

**Key result area: contribution and influence in changes to the regulatory environment**

**Qualitative statement**

The QBCC’s work to contribute to and influence the Queensland building and construction sector is described in this chapter.

**Key result area: sustainability of the industry**

| Percentage of decisions overturned by the Queensland Civil and Administrative Tribunal* | 4% | 7.25% |
| * This is a 2018–2019 Service Delivery Statement Service Standard. | | |
SECURITY OF PAYMENT FOR SUBCONTRACTORS

In late 2017, the Queensland’s building industry fairness reforms commenced through the Building Industry Fairness (Security of Payment) Act 2017 (BIF Act). This started with the introduction of project bank accounts for public sector building and construction contracts between $1 million and $10 million. Oversight for the first phase was managed through the Department of Housing and Public Works.

Over 2018–2019, we continued implementing the building industry fairness reforms, which included implementing new laws in relation to progress payments, the new adjudication registrar regime and subcontractors charges.

Another key reform was the 1 January 2019 commencement of the Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018. Once fully implemented throughout 2019, the new regulation will replace the Minimum Financial Requirements Policy introduced in 2014. These changes give us greater ability to monitor the financial situation of licensees. With these new monitoring powers, we can act earlier against licensees who, due to unsustainable and/or poor business practices are at risk of causing financial harm to others.

Phase 1 of the new Minimum Financial Requirements Regulation reintroduced annual financial reporting and required category 4–7 licensees to provide their most recent financial information by 31 March 2019. By 31 December 2019, all licensees are required to provide their most recent financial information to us.

To make it easier for licensees or their agents to submit their financial information, we enhanced the myQBCC portal to facilitate the submission of financial information. This continues our move to being a more contemporary regulator, while ensuring our ability to capture data is enhanced, thereby making our analytical capability to identify risks, better.

ACTIVITIES UNDER THE MINIMUM FINANCIAL REQUIREMENTS REGULATION

The commencement of the new financial reporting regime has allowed us to increase our focus on ensuring category 4–7 licensees meet their minimum financial requirements and remain suitable to hold their licence. Licensees in these categories have a maximum revenue exceeding $30 million and present a higher risk to the industry and community in the event of a financial failure. To enhance the sustainability of those lower down the supply chain, we continue to take regulatory actions against the “pillars of the sector” demonstrating our ongoing desire to be a regulator focused on market, rather than transactional risk.

As at 30 June 2019, 742 category 4–7 licensees lodged financial reports with the QBCC under the new annual reporting requirements. We issued 74 show cause notices for suspected non-compliance with minimum financial requirements and 17 licence suspensions. We also imposed licence conditions on seven licensees.

Our activities under the annual reporting requirements have resulted in the net tangible asset positions of category 4–7 licensees in Queensland improving by $272,127,342.

FINANCIAL AUDITS AND MONIES OWED INVESTIGATIONS

Licensed contractors must comply with minimum financial requirements imposed by a statutory condition on their licence. Prior to legislative amendments commencing in 2019, the financial requirements were contained in a policy of the Board. As of 2 April 2019, minimum financial requirements form part of the new Minimum Financial Requirements Regulation.

Minimum financial requirements required of most licensed contractors include holding prescribed net tangible assets to support their financial revenue and a 1:1 current ratio position. It is also a minimum financial requirement for a licensed contractor to pay their undisputed debts when they fall due. We are authorised under the QBCC

SPECIAL JOINT TASKFORCE TO INVESTIGATE FRAUDULENT PRACTICES

The QBCC is part of the Special Joint Taskforce established by the Queensland Government to investigate fraudulent practices in the building and construction industry.

Led by the Honourable Justice John Byrne and reporting directly to the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, Mick de Brenni, the Special Joint Taskforce began work on 27 March 2019. In addition to investigators from the QBCC, other members of the Taskforce include detectives from Queensland Police and a prosecutor from the Office of the Director of Public Prosecutions.

The Taskforce:

- invited and investigated matters and complaints provided through confidential submissions in relation to allegations of fraudulent behaviour relating to building subcontractor non-payment
- will, where appropriate, refer that material to the relevant prosecuting authority
- considered if there were sufficient and appropriate investigative and supervisory powers to deal with the conduct disclosed in the matters reviewed
- will provide a set of recommendations to the Queensland Government.
Act to audit a licensee under an approved audit program or at other times if we reasonably believe that the licensee is not complying with their minimum financial requirement obligations.

During the financial year, we undertook 630 financial audits of licensees and 540 non-payment of debts investigations. These activities resulted in 123 licence cancellations and 267 licences being suspended.

We also assisted creditors to recover $6.66 million in outstanding debts in the reporting period. The cumulative amount recovered since the commencement of the MFR policy in October 2014 to 30 June 2019 was $29.1 million.

Arising from a licensee breaching MFR, we immediately suspended the licences of 13 contractors to protect the community and industry from a real likelihood of serious financial loss.

We commenced an approved audit program in the financial year. There were 207 higher risk licensees identified for audit under the program. The approved audit program is to be finalised in October 2019. As at 30 June 2019, 61 licensees selected for audit have upgraded their maximum revenue amounts to comply with their minimum financial requirement obligations. A further 18 licensed contractors have voluntarily cancelled their licence or had their licence cancelled.

The QBCC Act establishes a framework for excluding individuals from holding a contractor’s licence, nominee supervisor’s licence or being in a controlling role in a licensed company where the individual has been involved (in specified circumstances) with a financial failure.

We excluded 406 individuals due to their involvement in a financial failure during the financial year. Of this number, 138 were licensees and had their licence cancelled. There were also 50 individuals permanently excluded due to their involvement in a second financial failure.

We may also exclude a company from holding a contractor’s licence if it has an excluded individual who is a director of, secretary of, or an influential person for the company. There were 108 companies excluded from holding a licence during the financial year.

**LICENCE CANCELLATIONS AND SUSPENSIONS**

The QBCC Act allows us to cancel or suspend a licence on grounds such as:

- not complying with a condition on a licence (e.g. failing to comply with the MFR Regulation)
- the licensee is a company and ceases to have a nominee for a period of more than 28 days
- we become aware of facts that make the licensee unfit or improper to hold a licence
- 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
- fitness and propriety related grounds.

During the financial year, we cancelled 280 licences and suspended 495 licences under section 48 of the QBCC Act. The below table provides data on the grounds for these cancellations and suspensions.

<table>
<thead>
<tr>
<th>Reason for cancellation</th>
<th>Cancellation</th>
<th>Suspension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breach of minimum financial requirements (including monies owed)</td>
<td>86</td>
<td>211</td>
</tr>
<tr>
<td>Failure to comply with a financial audit</td>
<td>37</td>
<td>56</td>
</tr>
<tr>
<td>Breach of licence condition other than MFR policy (including if company licensee is deregistered)</td>
<td>59</td>
<td>24</td>
</tr>
<tr>
<td>Licensee not fit and proper to hold a licence</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Licensee company ceases to have a nominee</td>
<td>92</td>
<td>203</td>
</tr>
<tr>
<td>Licence obtained based on incorrect information</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Convicted of an indictable offence</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Serious risk to health and safety</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>280</strong></td>
<td><strong>495</strong></td>
</tr>
</tbody>
</table>

We may immediately suspend a licence if we reasonably believe there is a real likelihood that serious financial loss or other serious harm will happen to other licensees, employees of other licensees, consumers, or suppliers of building materials or services. In 2018–2019, we immediately suspended the licences of 14 licensees. In all cases but one (which related to a death on a building site), the immediate suspensions arose out of concerns that if the licensee was allowed to continue to trade, they would pose a serious risk of financial loss to others in the industry.
**LICENSING ACTIONS TO ENSURE SAFE SYSTEMS OF WORK**

The QBCC Act allows us to cancel or suspend a licence if 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. We also impose appropriate conditions on a licence in the above circumstances to minimise the risk of a repeated unsafe event occurring on the same or other building sites under the licensee’s control.

Our focus on ensuring licensees have appropriate safeguards in place across their businesses to mitigate the risk to those working on building sites, demonstrates the positive steps the QBCC takes in providing the sector with a new approach to regulating the building and construction sector. 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 2018–2019, we immediately suspended the licence of one licensee due to concerns that the licensee did not have in place a safe system of work, and there was a real likelihood of serious risk of harm to industry participants and consumers.

We also imposed 18 conditions on 14 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. Depending on the circumstances of an individual case, these conditions included requiring the licensee to provide us with one or more of the following:

- an independent safety audit report of the licensee’s compliance with the Work Health and Safety Act
- minutes of the licensee’s quarterly safety management review meeting
- a further independent safety audit report 12 months after the incident date.

**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 that 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 2018 to 30 June 2019, we received 158 enquiries and complaints in relation to non-conforming building products. We finalised 139 cases and 19 cases are still ongoing.

Results in the 139 product complaint cases that were finalised included 73 products being found to be safe and compliant, six directions requiring suppliers to cease supplying non-conforming building products or to correct advertising, remedial action to correct advertising was voluntarily taken in five cases, two suppliers voluntarily ceased supplying non-conforming building products, and one product recall order was made resulting in an unsafe product no longer being offered in Queensland. The rest of the cases pertained to general enquiries or were required to be handled by other government departments. Other cases were a result of defective work, or the product was not a building product as defined by legislation. These actions confirm the QBCC’s strong regulatory toolkit decreases the risk of unsafe building products being installed in buildings in Queensland.

**SAFER BUILDINGS PROGRAM**

The Queensland Government began its investigation into combustible building products through the Non-conforming Building Products Audit Taskforce. As an outcome of the taskforce, the Queensland Government introduced new legislation that requires certain building owners to register their building and undertake the combustible cladding checklist.

The combustible cladding checklist is an online system that is divided into three parts with buildings exiting at each part of the process. **PART 1** was able to be completed by building owners or their nominated agent and asked simple questions about a building’s age, size, use and materials on the exterior. **PART 2** requires building owners to seek the assistance of a building industry professional to determine the construction class of the building, and whether the building has combustible cladding that requires further assessment.

On 24 May 2019, the law was changed to provide further time for building owners to complete Parts 2 and 3a. The date for Part 2 moved from 29 May to 31 July 2019, and Part 3a from 27 August to 31 October 2019.

**COMPLIANCE AND ENFORCEMENT STRATEGY 2018–2019**

The QBCC uses its powers provided by the law to investigate complaints made by consumers, contractors and other industry participants in order to support a fair playing field 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, we conduct joint operations with other regulators to target specific risks.

The 2018–2019 Compliance and Enforcement Strategy informs industry and the community about where we will focus our compliance activities to protect the public and industry. We use a risk-based approach to determine our priorities and we place resources to ensure compliance within the building and construction industry.

Table 3 shows the impact of compliance and enforcement activities on unlicensed contractors. Due to a relatively high compliance rate identified during licensing audits over the last three financial years, we have reduced the number of site visits in 2018-2019 and used those resources to target other priority matters. In the future, we will use data to provide insights to target unscrupulous and unlicensed contractors as opposed to random building site audits. The decision to move to an insights driven focus on unlicensed activity, demonstrates the QBCC’s commitment to being a regulator that is taking action to mitigate non-compliance, particularly by those who continue to flout the law. The number of investigations conducted in 2018–2019 was higher than in 2017–2018. This is due to an increase in the type of investigations conducted including offences against the BIF Act and other new offences introduced to the QBCC Act such as the notification of safety matters. Some other investigations include monies owed offences, domestic contract offences, non-payment of insurance premiums and unlawful building work investigations.

**TABLE 3 | LICENSING AUDITS OVER THE PAST FIVE YEARS**

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews conducted</td>
<td>5,533</td>
<td>4,145</td>
<td>4,529</td>
<td>3,781</td>
<td>2,514</td>
</tr>
<tr>
<td>Suspected number of unlicensed contractors</td>
<td>145</td>
<td>69</td>
<td>74</td>
<td>49</td>
<td>36</td>
</tr>
<tr>
<td>Percentage of unlicensed contractors</td>
<td>2.62%</td>
<td>1.66%</td>
<td>1.63%</td>
<td>1.30%</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

**CONTRACTUAL INVESTIGATIONS**

Schedule 1B of the QBCC Act regulates contracts for domestic building work between contractors and home owners. Part 4A of the QBCC Act regulates subcontracts between contractors and builders and commercial contracts. The QBCC examines suspected breaches and when required, takes appropriate action in the circumstances, including issuing an infringement notice.

Where we have reasonable concerns that a licensee has not been complying with the requirements of the QBCC Act, we may conduct an audit requiring the licensee to produce all contracts for review.

**TABLE 4 | CONTRACTUAL INVESTIGATIONS OVER THE PAST FIVE YEARS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Audits DBCA*</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Investigations</td>
<td>265</td>
<td>21</td>
<td>283</td>
<td>33</td>
<td>468</td>
</tr>
<tr>
<td>Warnings issued</td>
<td>20</td>
<td>0</td>
<td>54</td>
<td>6</td>
<td>164</td>
</tr>
<tr>
<td>Contractors issued with an infringement notice</td>
<td>155</td>
<td>8</td>
<td>145</td>
<td>6</td>
<td>300</td>
</tr>
<tr>
<td>Infringement notices issued</td>
<td>235</td>
<td>10</td>
<td>157</td>
<td>10</td>
<td>305</td>
</tr>
</tbody>
</table>

* The Domestic Building Contracts Act 2000 (DBCA) regulated contracts for domestic building work between contractors and home owners prior to 1 July 2015 when it was repealed and replaced by Schedule 1B. In some instances DBCA offences could continue to be investigated after the DBCA was repealed.

We continue to investigate complaints and take enforcement action against contractors who do not comply with the legislation. Our main focus is on domestic contracts due to the need to better protect home owners, who may only rarely deal with the building industry. We use a range of enforcement actions (such as warnings and infringement notices) and find a balance between protecting home owners and educating and motivating contractors to comply with the legislation. An effective regulator uses a range of enforcement tools and the QBCC is doing that now. We continue to help those who want to comply, but who may not know how to, and are taking strong enforcement actions against those who simply want to break the law.
DEMERIT POINTS ISSUED TO CONTRACTORS FOR BREACHES OF LEGISLATION

During 2018–2019, 155 contractors had demerit points listed against their records. A total of 4,430 demerit points were issued, which included 2,110 demerit points for contractual offences, 1,696 demerit points issued to contractors for failing to rectify defective building work and 40 demerit points issued for unsatisfied judgment debts.

The total demerit points issued are correlated to the number of investigations held in the year. There was a drop in the total demerit points issued in 2018–2019 compared to 2017–2018 because fewer demerit points were issued for failing to rectify after receiving a direction (see Table 5).

| TABLE 5 | DEMERIT POINTS ISSUED OVER THE PAST FIVE YEARS |
|---|---|---|---|---|---|
| Demerit points issued for unsatisfied judgment debts | 300 | 40 | 70 | 90 | 40 |
| Demerit points issued for contractual offences | 462 | 342 | 2,438 | 2,028 | 2,110 |
| Demerit points issued for failure to rectify | 374 | 1,114 | 2,166 | 2,186 | 1,696 |
| Demerit points issued for failing to pay insurance premium | 154 | 234 | 334 | 312 | 362 |
| Demerit points issued for carrying out work without a nominee | 2 | 0 | 0 | 60 | 0 |
| Demerit points – other | - | 112 | 334 | 118 | 222 |
| Contractors issued with demerit points | 367 | 275 | 516 | 478 | 457 |
| Total demerit points issued | 1,292 | 1,842 | 5,342 | 4,794 | 4,430 |
CERTIFIER COMPLIANCE

As at 30 June 2019, there were 487 licensed building certifiers. At the start of the reporting period, we had 71 open certifier complaints. An additional 140 complaints were received during 2018–2019. During the reporting period, we finalised 122 complaints. As at 30 June 2019, there were 89 remaining open.

At the start of the reporting period, we had eight technical audits and five assessment audits open. During the reporting period, we commenced 12 technical audits and 141 assessment audits. We finalised 14 technical audits and 11 assessment audits over the 12 months. As at 30 June 2019, there were six technical audits and 135 assessment audits still underway.

Of the 147 completed investigations (including complaints, technical and assessment audits) undertaken in 2018–2019, 33 certifiers were found to have engaged in unsatisfactory conduct, no certifiers were found to have engaged in professional misconduct, 68 complaints were either withdrawn or closed due to insufficient evidence, and in 38 cases the certifier’s conduct was found to be satisfactory. Eight cases were duplicates or involved a certifier who was no longer practising.

CERTIFIER COMPLIANCE AND COMPLAINTS RECEIVED OVER THE PAST FIVE YEARS

PROACTIVE BUILDING INSPECTIONS

We are out in the sector ensuring that licensees do the right thing. The QBCC proactively audits building works under construction to assess compliance against the National Construction Code and relevant Australian Standards. We go on site; inspect and help licensees understand what is expected of them. Builders are encouraged to rectify defective work to avoid further action by us in the event of non-compliance being found. Builders are better placed to have the responsible subcontractors remedy their defective works while they are still on-site and while retention funds are in place.

In 2018–2019, we audited multi-residential buildings (both townhouses and high-rise constructions) with a particular focus on fire safety issues as part of our annual state-wide program of auditing works.

Issues of concern were found with:
- non-compliant fire separating wall construction
- non-provision of operational fire hydrants within two uppermost storeys
- lack of appropriate documentation to provide evidence of compliance of non-structural elements of buildings with relevant Australian Standards to accommodate seismic loads.

We also performed audits on single detached dwellings. A variety of issues were found, such as:
- non-compliant fixing of internal partition walls to roof framing above
- inadequate fixing of plasterboard ceiling sheets in garage areas
- non-compliant site drainage.

In 2018-2019, we inspected 1,800 sites involving 5,442 residential units.
SERVICE TRADES COUNCIL

The Council is established under the Plumbing and Drainage Act 2018 (PDA) as a dedicated body to advise the Commissioner and the Minister on issues concerning the plumbing and drainage trades in Queensland. The Council holds a unique and important role as both an advisor and internal reviewer. Through its legislative functions, the Council can make recommendations to the Minister on any issue it determines needs escalation, or any issue the Minister chooses to ask the Council for advice on. Further, the Council can make recommendations to the Commissioner about the performance of their functions under the PDA. The Council also is an internal reviewer of decisions made by the Commissioner (or delegates) in relation to disciplinary action against licensees under the PDA. As part of the broader QBCC, the Council helps to connect us to industry.

For a summary of the achievements of the Council for the 2018–2019 financial year, please refer to page 67 under the Corporate Governance section.

PLUMBING COMPLAINTS, INVESTIGATIONS AND DISCIPLINARY ACTIONS

Complaints which relate to licensing, notifiable work and performance of work under the PDA are investigated by the QBCC. This includes non-compliance in terms of unlicensed work, notifying us of notifiable work and licensees involved in unsatisfactory plumbing and/or drainage work. Monitoring and enforcing compliance with the PDA is essential in maintaining public health and safety. It also stimulates confidence within the industry and the community for a safe, fair and sustainable Queensland.

In 2018–2019, we closed 146 investigations, including outstanding investigations carried over from 2017–2018, and received a total of 82 new complaints. Table 6 compares disciplinary actions across a number of years.

TABLE 6 | PLUMBING DISCIPLINARY ACTIONS

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Disciplinary orders issued to licensees</td>
<td>20 orders amounting to $50,720</td>
<td>30 orders amounting to $67,666</td>
<td>10 orders amounting to $20,109</td>
<td>19 orders amounting to $23,352</td>
</tr>
<tr>
<td>Penalty infringement notices</td>
<td>83 penalty infringement notices amounting to $83,852</td>
<td>156 penalty infringement notices amounting to $179,959</td>
<td>58 penalty infringement notices amounting to $62,821</td>
<td>41 penalty infringement notices amounting to $42,920</td>
</tr>
</tbody>
</table>

During the reporting period, we took a strategic approach to dealing with matters involving grounds for disciplinary action. This involved adopting appropriate actions or amounts proportionate to the risks. A majority of disciplinary proceedings involved risks of lower proportions meaning that although the number of disciplinary orders for 2018–2019 has increased from the previous reporting year, there has been a decrease, on average, in the monetary amount per order made.

Compliance activity throughout 2018–2019 included:
- on-site licence checks completed through routine compliance activities: 394
- desktop licence checks completed through routine compliance activities: 400.

Plumbing investigators conducted licence checks at both commercial and domestic construction sites in 2018–2019. Plumbing investigators visited a total of 226 sites.

Proactive compliance activities are also an opportunity for on-site licensees of all trades to learn more about the stringent licensing requirements of plumbing, drainage and fire protection work.

Plumbing investigators also carried out 61 audits in relation to technicians testing and maintaining fire protection systems (reticulated water based) installed in existing Queensland buildings. We observed a high compliance rate with only one person from 229 licence checks found to be unlicensed. Twenty cases were referred to the Queensland Fire and Emergency Services for matters involving alleged non-compliance with the Building and Fire Safety Regulation.
NOTIFIABLE WORK – FORM 4/4A

For some types of plumbing and drainage work, QBCC-licensed plumbers and/or drainers must lodge details about the work through a Form 4/4A – Notifiable Work to the QBCC. In 2018–2019, there were 93,105 Form 4/4As registered.

We conduct an annual notifiable work audit program to ensure the correct paperwork is completed and high standards are maintained in plumbing and drainage work.

In 2018–2019, our audit program focused on restricted plumbing licensees and plumbing licensees that also held a contractor licence. In 2018–2019, we opened a total of 550 audits. Licensees found to have poor compliance with the notifiable work laws were referred for further investigation and potential disciplinary action. Low-level offending was addressed through education, and these licensees will be subjected to a follow up audit in 2019–2020 to ensure continued compliance.

POOL SAFETY

Pool safety laws require swimming pool barriers to comply with the pool safety standard.

All pools associated with residential uses such as houses, townhouses, unit complexes, hotels, motels, backpacker accommodation and caravan and mobile home parks must be registered and have a barrier compliant with the pool safety standard.

Sale or lease of a property also triggers a requirement for a pool safety certificate, issued by a licensed pool safety inspector (PSI). We maintain a register of regulated pools and pool safety inspectors.

The QBCC migrated the Pool Safety Register to a new and improved system which went live on 29 October 2018.

The new Pool Safety Register, which can now be accessed through myQBCC, enables pool safety professionals to issue new pool safety certificates and search for existing pool safety certificates more quickly and easily.

This transition to myQBCC will enable improvements in customer service by delivering a stable and reliable platform to support pool safety inspectors’ core functions and operational efficiencies.

Table 7: Number of Pools on the Pool Register

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of pools</td>
<td>354,513</td>
<td>364,496</td>
<td>375,477</td>
<td>387,240</td>
</tr>
</tbody>
</table>

The transition to myQBCC will enable improvements in customer service by delivering a stable and reliable platform to support pool safety inspectors’ core functions and operational efficiencies. It will also enable the QBCC to effectively analyse data.
The QBCC also investigates complaints and takes disciplinary actions against PSIs, approves continuing professional development (CPD) activities and allocates CPD points for PSIs. As at 30 June 2019 there were 594 PSIs licensed by the QBCC.

In 2018–2019, 59 complaints were received regarding the conduct of PSIs and in the same period, 52 complaints against PSIs were finalised. In 13 instances, it was found that there were no grounds for disciplinary action. In 39 instances, it was found that there were grounds for disciplinary action. In three cases, we decided that the PSI was generally competent and diligent and no further action was required. For the other 36 cases where grounds were established, 26 disciplinary actions that included monetary penalties were taken in 2018–2019. Other disciplinary actions taken included reprimands and requirements to refund inspection fees.

Four PSIs sought review of the disciplinary action decision by the QBCC’s Internal Review Unit. One of those PSIs subsequently applied to the Queensland Civil and Administrative Tribunal for review of the Internal Review Unit’s decision.

No clear trends are emerging in the types of disciplinary action taken against PSIs, except that the number of monetary penalties in the last year doubled as compared with the previous year, reflecting that twice the number of investigations were finalised in this financial year.

In 2018–2019, eight investigations were opened into pool owners who were alleged not to have obtained certificates when required. Three investigations of pool owners were finalised and one resulted in the issue of an infringement notice.

**IMMERSION INCIDENT REPORTING**

The QBCC received reports periodically of immersion incidents involving young children during the reporting period. The data in these reports can be used for assessing the efficacy of the pool safety laws. These reports are provided by Queensland Health, following notification by health professionals, including the Queensland Ambulance Service. In 2018–2019, we received 99 reports of immersion incidents. Immersion incident 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 concern 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 that to us for action, and we follow up with the relevant PSI.

In 2018–2019, we finalised investigations against two PSIs arising from immersion incident notices received during the previous financial year. In relation to one of those investigations, grounds for disciplinary action were established and a monetary sum was required to be paid. In relation to the other matter, no grounds for disciplinary action were established.

For immersions that occurred during the 2018–2019 period, we opened four investigations into the conduct of PSIs. One of those investigations was finalised with no grounds for disciplinary action established. The other three investigations remained on foot as at the end of the financial year.

**POOL OWNER COMPLIANCE AND ENFORCEMENT**

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

As at 30 June 2019, 36,243 pool safety certificates were issued in the reporting period which included 29,161 for non-shared pools and 7,082 for shared pools. We referred 105 properties to different local governments in 2018–2019.
EDUCATION AND ENGAGEMENT

The QBCC continues to ensure that the sector understands the laws we regulate; whilst helping increase the technical skills of licensees in regards the most prominent defects. 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. We provide education and engagement through a variety of mediums to home owners, licensees and other industry participants.

Over the 2018-2019 reporting period, the Education and Engagement team worked to create a cohesive and coordinated approach to how all divisions across the QBCC engage with key stakeholders. With this in place, we can extend our efforts to reach additional industry segments via the expansion of existing relationships and the realisation of new ones.

In 2018–2019, more than 4,800 people attended our Tradie Tours across the State with a 96 per cent satisfaction rate. In addition, more than 1,500 people attended Queensland Building Plan roadshows to understand the new laws and more than 400 people tuned into one of our webinars.

Key engagement activities over the reporting period included:

• a state-wide Tradie Tour which included 11 face-to-face workshops focusing on topics such as common painting defects, roof restoration and applied finishes. The workshops featured Chris Mundy (President of the Master Painters Association of Queensland) as a key presenter.

• nine additional combined webinars to support those who could not attend a face-to-face workshop on the security of payment reforms.

• two accountant only sessions, and two accountant only webinars to provide targeted information on minimum financial requirements changes.

• two Brisbane Home Shows that received over 720 enquires from attendees.

• five TAFE presentations to third and fourth year apprentices.

• a presentation at the Queensland University of Technology to 233 construction management students.

• five home owner information sessions about the building and renovating process.

• four regional engagements providing licensees networking opportunities and information on regional tendering opportunities, and a general update from Construction Skills Queensland.

• 31 proactive site visits and breakfast events where the Education and Engagement team discussed various QBCC requirements with workers, trade managers and project managers.

• five Master Plumbers’ Association of Queensland trade expos where information was provided about notifiable works, compliance and enforcement matters and workplace health and safety incident notification obligations.

• four painter presentations to educate licensed painters on their obligations regarding home warranty insurance.

• the Brisbane Bunnings Trade Expo that generated 230 enquiries.

• an information session at the Housing Industry Association Builder’s Workshop.

In March 2019, we hosted webinars to raise awareness of new payment and financial reporting requirements arising from the minimum financial requirements reforms. These were offered in addition to state-wide roadshows and proved very popular. We recorded 2,721 hits for the webinar, helping extend the QBCC’s reach.
The QBCC was quick to respond to the February 2019 North Queensland floods and created the North Queensland Flood Register. The register provided a tool to help affected people search for licensed building and trade contractors in the local area.

The North Queensland Flood Register was an interagency initiative with the Electrical Safety Office, Workplace Health and Safety Queensland, and the Department of Natural Resources, Mines and Energy. Licensed contractors who are able to travel from other parts of Queensland were also encouraged to apply to have their details included in the register.

The register was a way to ensure appropriately qualified and licensed contractors carry out work and to prevent unlicensed individuals from taking advantage of the flood victims.

In addition to QBCC licensees, the register also included asbestos specialists, gas and petroleum contractors, and electricians.

The QBCC also sent compliance officers to the Townsville region to enhance supervision, and ensure that appropriately licensed contractors were doing building work and to provide technical and general advice on a wide range of rebuilding issues.
This objective aligns to the Queensland Government’s “Responsive Government” priority. To deliver on this priority, our strategies are to:

- provide impartial services in a clear, transparent and timely manner
- simplify processes to align with changing needs/expectations of stakeholders
- communicate effectively with all our stakeholders.

### TABLE 9 | OBJECTIVE 2 SUCCESS MEASURES

<table>
<thead>
<tr>
<th>Supporting measures</th>
<th>Target</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceptions of fairness in decision-making; percentage of survey respondents agree the final decision was fair*</td>
<td>65%</td>
<td>59%</td>
<td>The monthly trend has been upward (mid 50% to high 50%). The overall fairness metric for 2018–2019 is on par with 2017–2018. The survey results still have residual influences like satisfaction and are sensitive to expectations. We will continue to look for opportunities to improve.</td>
</tr>
<tr>
<td>Overall customer satisfaction</td>
<td>80%</td>
<td>56%</td>
<td>Overall customer satisfaction remains largely influenced by the outcome of a decision. A deeper analysis of the survey results identifies three primary issues concerning: customer expectations, difficulty in locating/accessing relevant information, response and processing time. As this measure is no longer a Service Delivery Statement service standard, as well as the issue stated above, this is the last year that this measure will be reported.</td>
</tr>
<tr>
<td>Percentage of early dispute resolution cases finalised within 28 days*</td>
<td>80%</td>
<td>91%</td>
<td></td>
</tr>
<tr>
<td>Average number of days to process licence applications*</td>
<td>30 days</td>
<td>22 days</td>
<td></td>
</tr>
<tr>
<td>Percentage of owner builder permits approved within 15 working days*</td>
<td>90%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Percentage of adjudication applications referred to an adjudicator within 4 days (under the Building and Construction Industry Payments Act 2004)*</td>
<td>98%</td>
<td>95%</td>
<td>In the published 2018–2019 Service Delivery Statement, this is one service standard. On 17 December 2018, the Building and Construction Industry Payments Act 2004 was repealed and captured by the BIF Act. Previously applications were referred “as soon as practicable”. The Registry’s target to refer applications to an adjudicator was 4 business days. Upon commencement of the BIF Act, the Registrar has a statutory requirement to refer an application within 4 business days after an application is received. All applications following the commencement of the BIF Act on 17 December 2018 have been referred to an adjudicator in accordance with this statutory requirement. For the purpose of transparency, we have reported our performance on this measure based on the two legislative requirements.</td>
</tr>
<tr>
<td>Percentage of adjudication applications referred to an adjudicator within 4 business days (under the Building Industry Fairness (Security of Payment) Act 2017)*</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Percentage of insurance claims for defective work assessed and response provided within 35 business days*</td>
<td>50%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Percentage of internal review applicants contacted within 2 business days*</td>
<td>95%</td>
<td>93.3%</td>
<td></td>
</tr>
<tr>
<td>Average processing time for an early dispute resolution case*</td>
<td>28 working days</td>
<td>12 working days</td>
<td></td>
</tr>
<tr>
<td>Average approval time for defects claims less than $20,000*</td>
<td>35 working days</td>
<td>41 working days</td>
<td></td>
</tr>
<tr>
<td>Cost of recovering $1.00 of funds owed to creditors*</td>
<td>$0.70</td>
<td>$0.49</td>
<td></td>
</tr>
</tbody>
</table>

* This is a 2018–2019 Service Delivery Statement Service Standard.
CUSTOMER SERVICE

The QBCC’s customer contact centre is not just a triaging and concierge service. Staff are trained in providing general advice and aim to resolve matters at the first point of contact. Over 2018–2019, we focused on improving customer engagement by providing additional self-service options, digitising forms and making it more convenient to access the right information promptly. The key changes included:

- making more services available to licensees through the QBCC’s self-service digital portal, myQBCC
- creating additional phone queue options to ensure customers are efficiently accessing the right specialist to meet their needs
- increasing our social media presence to assist customers with queries
- implementing a more prominent call back function, allowing customers to hold their position in the queue without needing to stay on the phone. This allows callers to continue going about their day without having to stay on hold.
- automating the case creation process to deliver faster customer service
- evolving our approach to knowledge management to ensure consistency of information and general advice provided
- digitising more forms to make it easier and quicker to fill out and process
- improving the functionality of the Find a Local Contractor search.

In addition to the number of calls and emails in the table below, the QBCC website was viewed more than 10,946,020 times in 2018–2019.

| TABLE 10 | CUSTOMER CONTACT CENTRE STATISTICS OVER THE PAST FIVE YEARS |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Customer phone calls | 216,155         | 222,097         | 221,996         | 202,621         | 200,677         |
| Customer emails   | 5,859           | 7,833           | 10,842          | 14,228          | 13,011          |
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 2019.

TABLE 11 | QBCC ACT LICENSEES BY LICENCE TYPE AS AT 30 JUNE 2019

<table>
<thead>
<tr>
<th></th>
<th>Individual</th>
<th>Company</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Builder</td>
<td>26,730</td>
<td>8,793</td>
<td>35,523</td>
</tr>
<tr>
<td>Builder restricted</td>
<td>2,253</td>
<td>671</td>
<td>2,924</td>
</tr>
<tr>
<td>Trade contractor</td>
<td>40,880</td>
<td>10,369</td>
<td>51,249</td>
</tr>
<tr>
<td>Fire occupational</td>
<td>1,468</td>
<td>N/A</td>
<td>1,468</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71,331</strong></td>
<td><strong>19,833</strong></td>
<td><strong>91,164</strong></td>
</tr>
</tbody>
</table>

We also administer the licensing systems in the Building Act for building certifiers and pool safety inspectors. As at 30 June 2019, there were 487 building certifiers and 594 pool safety inspectors licensed by the QBCC.

In 2018–2019, the QBCC processed 606 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.
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.

However, we cannot grant a permit for the following work:

• building work for which an occupational licence is required, unless the work is carried out by a person who holds a licence to carry out the work.

As at 30 June 2019, there were 1,877 owner builder permits granted by the QBCC.

OWNER BUILDER PERMIT APPROVALS OVER THE PAST FIVE YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-2015</td>
<td>1,700</td>
</tr>
<tr>
<td>2015-2016</td>
<td>1,750</td>
</tr>
<tr>
<td>2016-2017</td>
<td>1,800</td>
</tr>
<tr>
<td>2017-2018</td>
<td>1,850</td>
</tr>
<tr>
<td>2018-2019</td>
<td>1,900</td>
</tr>
</tbody>
</table>

We are currently working with the Office of Industrial Relations, Workplace Health and Safety Queensland as well as industry representatives to improve owner builders’ knowledge of managing asbestos removal during home renovations. This aims to improve the health and wellbeing of owner builders and other persons exposed to home renovation works.

PLUMBER AND DRAINER LICENSING

The QBCC administers Queensland’s licensing system for plumbers and drainers under the PDA. As of 30 June 2019, there were 28,9151 open, provisional and restricted plumber and drainer licences granted in Queensland. This number includes endorsements. A licensee may hold multiple classes of licence.

TABLE 12 | PDA LICENSEES BY LICENCE TYPE AS AT 30 JUNE 2019

<table>
<thead>
<tr>
<th>Occupational licence type</th>
<th>Classes of licence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisional plumber</td>
<td>1,536</td>
</tr>
<tr>
<td>Provisional drainer</td>
<td>1,499</td>
</tr>
<tr>
<td>Plumber</td>
<td>12,001</td>
</tr>
<tr>
<td>Drainer</td>
<td>12,215</td>
</tr>
<tr>
<td>Restricted licences</td>
<td>1,664</td>
</tr>
<tr>
<td>Total</td>
<td>28,915</td>
</tr>
</tbody>
</table>

1Number includes plumbers and drainers holding occupational plumbing/drainage licences under the PDA who may also hold plumbing/drainage contractor licences under the QBCC Act.
The QBCC administers a home warranty scheme that provides insurance cover for residential construction work in Queensland. The scheme protects home owners from loss where the licensed contractor does not complete the contracted works or fails to rectify defective work.

During 2018-2019, we processed 120,984 insurance policies. The breakdown of residential construction work carried out during the period was 77 per cent renovations compared to 23 per cent new home construction.

In 2018-2019, we received $89 million in insurance premiums compared to $91 million in 2017-2018. This was due to fewer new builds in 2018-2019. The amount of premium payable is based on the contract price for the work, and new builds generate more premium due to them having higher average contract values relative to renovation contracts.

We approved a total of $41.3 million in insurance claim costs during 2018–2019. This included $15.4 million for defects claims, $20.7 million for non-completion claims and $5.2 million for subsidence claims.
Generally, claims are expected to continue to increase year on year, reflecting the increased number and value of residential work covered by the Queensland Home Warranty Scheme.

Non-completion claims rose in 2018–2019 as a result of the high numbers of new builds in the preceding two years, and the insolvency of a number of medium sized home builders during 2018–2019.

The increase in subsidence claims is likely as a result of new land availability being in areas with reactive soil, and builders and engineers opting for cheaper construction methods for foundations.

Defects claims have shown improvement in 2018–2019 compared to the preceding five years. While this is pleasing, it should be noted that incomplete homes and subsiding homes had higher levels of defects than usual, which has contributed to the increase in the amount of approvals for non-completion and subsidence claims.

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 $1.7 million in 2018-2019 for the Queensland Home Warranty 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, including 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 where there are building disputes between home owners and principal contractors where the situation has come to a standstill. During 2018–2019, these types of building disputes totalled 5,726, of which 4,248 related to works after the construction was completed and 1,478 which were during the construction process. This represented a decrease of six per cent from 2017–2018 which totalled 6,105 building disputes. The number of directions to rectify issued in 2018–2019 have not increased significantly from 2017–2018.

### COMPLAINTS AND DIRECTIONS OVER THE PAST FIVE YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Complaints</th>
<th>Directions*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-2019</td>
<td>709</td>
<td>4,793</td>
</tr>
<tr>
<td>2017-2018</td>
<td>4,793</td>
<td>855</td>
</tr>
<tr>
<td>2016-2017</td>
<td>3,927</td>
<td>813</td>
</tr>
<tr>
<td>2015-2016</td>
<td>4,015</td>
<td>826</td>
</tr>
<tr>
<td>2014-2015</td>
<td>4,380</td>
<td>848</td>
</tr>
</tbody>
</table>

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

### TABLE 14 | TEN MOST COMMON BUILDING DEFECTS IN 2018–2019

<table>
<thead>
<tr>
<th>Defect</th>
<th>Ranking</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joinery</td>
<td>1</td>
<td>511</td>
</tr>
<tr>
<td>Painting</td>
<td>2</td>
<td>431</td>
</tr>
<tr>
<td>Roof cladding</td>
<td>3</td>
<td>410</td>
</tr>
<tr>
<td>Tiling (floor)</td>
<td>4</td>
<td>319</td>
</tr>
<tr>
<td>Drainage</td>
<td>4</td>
<td>319</td>
</tr>
<tr>
<td>Internal wet areas waterproofing membranes</td>
<td>5</td>
<td>273</td>
</tr>
<tr>
<td>Driveways and paths</td>
<td>6</td>
<td>242</td>
</tr>
<tr>
<td>Linings ceiling internal</td>
<td>7</td>
<td>188</td>
</tr>
<tr>
<td>Wall cladding</td>
<td>8</td>
<td>181</td>
</tr>
<tr>
<td>Linings wall internal</td>
<td>8</td>
<td>181</td>
</tr>
<tr>
<td>External waterproofing membranes</td>
<td>9</td>
<td>168</td>
</tr>
<tr>
<td>Linings wall external</td>
<td>10</td>
<td>155</td>
</tr>
</tbody>
</table>

One of the strategies we take to help industry deal with common problems is to provide opportunities for information to be shared. We hold regular seminars for consumers and invite industry experts to share valuable tips and speak on a number of important issues. In this instance, we invited an industry expert to talk about common painting defects and other related issues. Providing a platform for such information to be shared reduces the amount of this type of defective work in the industry.
EARLY DISPUTE RESOLUTION

We offer a free Early Dispute Resolution (EDR) service for domestic building work valued in excess of $3,300, where issues arise between QBCC principal contractors and home owners prior to completion of the contract. Defective building work, non-completion and contractual disputes are handled in the EDR process.

During 2018–2019, we received 1,478 EDR cases, with 1,453 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 2018–2019 represents a 14 per cent decrease compared to 2017–2018, where 1,724 cases were received. The decrease in EDR cases is directly linked to the reduction in building activity relating to new builds, which is evident from the number of new build policies in 2018–2019, the lowest it has been in last five years. Our work in proactive inspections also contributed to the decrease in EDR cases.

We continue to look at improving the way pre-completion concerns are handled in order to improve the overall experience. The lodgement of EDR complaints will be online from mid-July 2019.

REPORTING ON THE BUILDING INDUSTRY FAIRNESS (SECURITY OF PAYMENT) ACT 2017 SECTION 76 AND SECTION 90

Section 157 of the BIF Act provides that the Commissioner must report on the effectiveness of Chapter 3 of that Act. Sections 76 and 90 of the BIF Act sit within Chapter 3. Section 104A of the QBCC Act provides our investigators with powers to investigate, monitor and enforce compliance with the BIF Act.

Given the significant importance of these new laws to protect the industry, we have taken a firm approach to compliance rather than an educational approach. The Queensland Parliament has made it clear that these laws are to be enforced as intended. Prior to, and just after the new laws came into effect, we held a number of roadshows with industry outlining the penalties for non-compliance with payment schedule provisions.

Within the first six months of the new laws, we initiated investigations into a number of suspected contraventions of sections 76 (Responding to payment claim) and section 90 (Respondent required to pay adjudicated amount). As at June 2019, we issued two penalty infringement notices in relation to contraventions of section 76. In addition to this, six investigations involving suspected contraventions of both sections 76 and 90 were referred to our Legal Services Branch for consideration of commencing proceedings by way of complaint and summons.

We have recognised that the laws are seeking to change behaviours across the industry, which will take some time. To this end, it is highly likely that whilst the sector adapts to the new laws, we will continue to receive a large number of complaints that may involve contraventions of sections 76 and 90. We will continue to take a firm approach to enforcement and as the application of the new laws matures, will continue to refine processes and enhance capabilities to effectively and efficiently respond to these matters, thereby ensuring appropriate regulatory action is taken as intended by Parliament.

ADJUDICATION REGISTRY

The Adjudication Registry (Registry) was established under the former Building and Construction Industry Payments Act 2004 (BCIPA). On 17 December 2018, the BCIPA was repealed and the Registry provisions transitioned to the BIF Act. The main purpose of the BIF Act is to help people working in the building and construction industry in being paid for the work they do. Adjudication contributes to achieving this purpose by providing a quick and cost effective means of dispute resolution.

On 17 December 2018, the Governor in Council appointed the Adjudication Registrar. The Registrar is responsible for managing the administration of the Registry, which includes the prompt referral of adjudication applications to registered adjudicators.

Adjudication applications

Between 1 July 2018 and 30 June 2019, adjudication applications were made to the Registrar as follows:

<table>
<thead>
<tr>
<th>Adjudication application type</th>
<th>BCIPA</th>
<th>BIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard (less than $750,000)</td>
<td>298</td>
<td>232</td>
<td>530</td>
</tr>
<tr>
<td>Complex (greater than $750,000)</td>
<td>26</td>
<td>16</td>
<td>42</td>
</tr>
<tr>
<td>Total number of applications</td>
<td>324</td>
<td>248</td>
<td>572</td>
</tr>
</tbody>
</table>
The table below provides an overview of the total claimed amount on application for adjudication. For the period 1 July 2018 and 30 June 2019, of the 572 applications made to the Registrar, the total claimed amounts are set out below:

### TABLE 16 | ADJUDICATION CLAIMED AMOUNT FOR 2018–2019

<table>
<thead>
<tr>
<th></th>
<th>BCIPA</th>
<th>BIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of claims</td>
<td>$87,343,694.77</td>
<td>$113,581,775.99</td>
<td>$200,925,470.76</td>
</tr>
<tr>
<td>Maximum claim</td>
<td>$7,456,374.58</td>
<td>$32,520,624.40</td>
<td></td>
</tr>
<tr>
<td>Minimum claim</td>
<td>$400.00</td>
<td>$990.00</td>
<td></td>
</tr>
<tr>
<td>Average claim</td>
<td>$269,579.30</td>
<td>$457,991.03</td>
<td></td>
</tr>
</tbody>
</table>

**Adjudication decisions**

An adjudicator is an independent person qualified to determine payment disputes under the BIF Act. As at 30 June 2019, there were a total of 140 registered adjudicators in Queensland. For the period 1 July 2018 and 30 June 2019, the Registrar approved nine applications for registration as an adjudicator.

The Registrar must refer an application to a registered adjudicator for determination within four business days after the application is received.

Under the BIF Act, an appointed adjudicator must give a copy of the adjudication decision, and notice of the fees and expenses to be paid, to the Registrar at the same time a copy is given to the parties. The adjudication decision is subsequently published on the QBCC website.
For the period 1 July 2018 and 30 June 2019, the number of decisions made by registered adjudicators are set out in the table below:

**TABLE 17 | NUMBER OF ADJUDICATION DECISIONS MADE IN 2018–2019**

<table>
<thead>
<tr>
<th></th>
<th>BCIPA</th>
<th>BIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard (less than $750,000)</td>
<td>150</td>
<td>118</td>
<td>268</td>
</tr>
<tr>
<td>Complex (greater than $750,000)</td>
<td>26</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>Total number of decisions</td>
<td>176</td>
<td>124</td>
<td>300</td>
</tr>
</tbody>
</table>

For the period 1 July 2018 and 30 June 2019, the total amounts awarded by adjudication decisions are set out below:

**TABLE 18 | ADJUDICATION DECISIONS**

<table>
<thead>
<tr>
<th></th>
<th>BCIPA</th>
<th>BIF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value of claims - decisions released</td>
<td>$96,628,203.38</td>
<td>$59,818,918.99</td>
<td>$156,447,122.37</td>
</tr>
<tr>
<td>Maximum claim value - decision released</td>
<td>$20,584,082.42</td>
<td>$32,520,624.40</td>
<td></td>
</tr>
<tr>
<td>Minimum claim value - decision released</td>
<td>$1,270.50</td>
<td>$1,100.00</td>
<td></td>
</tr>
<tr>
<td>Average claim value - decisions released</td>
<td>$549,023.88</td>
<td>$482,410.64</td>
<td></td>
</tr>
<tr>
<td>Total value of adjudicated amount - decisions released</td>
<td>$44,530,127.74</td>
<td>$18,239,236.14</td>
<td>$62,769,363.88</td>
</tr>
</tbody>
</table>
Comparatively, on average, the adjudication process is faster under the BIF Act, particularly for complex claims. For the period 1 July 2018 to 30 June 2019, the average number of business days from application to decision is set out in the table below:

| TABLE 19 | AVERAGE DURATION FOR ADJUDICATION (BUSINESS DAYS) |
|-------------------|-------------------|-------------------|-------------------|
|                   | BCIPA             |                   | BIF               |
|                   | Standard Complex  |                   | Standard Complex  |
| Maximum            | 44 122            | 49 79             |
| Minimum            | 8 9              | 9 28              |
| Average            | 22 77            | 21 46             |

**Adjudication application fees**

An application for adjudication must be accompanied by the prescribed fee. For the period 1 July 2018 to 30 June 2019, the prescribed application fee ranged from $57.35 for payment claims of not more than $10,000 to a percentage of the claimed amount for payment claims of more than $1,065,600 (capped at $5,737.60).

The tables below set out the adjudication application fee as a percentage of the average total claimed amount under the BCIPA and BIF Act for the period 1 July 2018 to 30 June 2019:

| TABLE 20 | BCIPA: ADJUDICATION APPLICATION FEE |
|-------------------|-------------------|-------------------|
| BCIPA claim value | Number of applications made to Registrar | Average total claimed amount | Average application fee as a percentage of average total claimed amount |
| $0 - $10,000      | 106               | $5,364.69         | 1.07%               |
| $10,000 - $50,000 | 95                | $27,921.78        | 0.62%               |
| $50,000 - $100,000| 37                | $84,055.85        | 0.34%               |
| $100,000 - $250,000| 32               | $168,129.13       | 0.24%               |
| $250,000 - $500,000| 20              | $383,757.59       | 0.13%               |
| $500,000 - $750,000| 8               | $644,334.92       | 0.10%               |
| $750,000 - $1,065,600| 4             | $994,420.20       | 0.08%               |
| > $1,065,600      | 22               | $2,673,852.63     | 0.06%               |
### TABLE 21 | BIF ACT: ADJUDICATION APPLICATION FEE

<table>
<thead>
<tr>
<th>BIF claim value</th>
<th>Number of applications made to Registrar</th>
<th>Average total claimed amount</th>
<th>Average application fee as a percentage of average total claimed amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10,000</td>
<td>87</td>
<td>$4,054.90</td>
<td>1.41%</td>
</tr>
<tr>
<td>$10,000 - $50,000</td>
<td>70</td>
<td>$26,302.57</td>
<td>0.65%</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>26</td>
<td>$68,897.32</td>
<td>0.42%</td>
</tr>
<tr>
<td>$100,000 - $250,000</td>
<td>31</td>
<td>$158,100.41</td>
<td>0.25%</td>
</tr>
<tr>
<td>$250,000 - $500,000</td>
<td>11</td>
<td>$355,672.96</td>
<td>0.15%</td>
</tr>
<tr>
<td>$500,000 - $750,000</td>
<td>7</td>
<td>$642,040.20</td>
<td>0.10%</td>
</tr>
<tr>
<td>$750,000 - $1,065,600</td>
<td>1</td>
<td>$818,534.52</td>
<td>0.09%</td>
</tr>
<tr>
<td>&gt; $1,065,600</td>
<td>15</td>
<td>$6,358,877.25</td>
<td>0.05%</td>
</tr>
</tbody>
</table>

### Adjudicator fees

Under the BCIPA, where the claimed amount was not more than $25,000, the Registry recommended maximum fees and expenses in accordance with the ‘Adjudicator Grading and Referral Policy 2015’. For applications with a payment claim over $25,000, the Registry recommended maximum hourly rates in accordance with the ‘Adjudicator Grading and Referral Policy 2015’.

Under the BIF Act, maximum fees and expenses are now prescribed for progress payments of not more than $25,000. 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.

Tables 22 and 23 set out the average adjudicator fee as a percentage of the average total claimed amount for the period 1 July 2018 to 30 June 2019:

### TABLE 22 | BCIPA: ADJUDICATOR FEE

<table>
<thead>
<tr>
<th>BCIPA claim value</th>
<th>Number of decisions made by adjudicators</th>
<th>Average total claimed amount</th>
<th>Average adjudicated amount</th>
<th>Average adjudicator fees</th>
<th>Average adjudicator fees as a % of average total claimed amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10,000</td>
<td>35</td>
<td>$5,206.43</td>
<td>$2,917.47</td>
<td>$714.29</td>
<td>13.72%</td>
</tr>
<tr>
<td>$10,000 - $50,000</td>
<td>47</td>
<td>$28,650.16</td>
<td>$14,718.33</td>
<td>$2,002.40</td>
<td>6.99%</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>22</td>
<td>$82,720.75</td>
<td>$49,283.26</td>
<td>$7,310.78</td>
<td>8.84%</td>
</tr>
<tr>
<td>$100,000 - $250,000</td>
<td>22</td>
<td>$167,945.45</td>
<td>$85,283.46</td>
<td>$10,018.82</td>
<td>5.97%</td>
</tr>
<tr>
<td>$250,000 - $500,000</td>
<td>15</td>
<td>$390,953.20</td>
<td>$121,017.41</td>
<td>$9,387.83</td>
<td>2.40%</td>
</tr>
<tr>
<td>$500,000 - $750,000</td>
<td>9</td>
<td>$652,266.16</td>
<td>$181,769.82</td>
<td>$13,871.48</td>
<td>2.13%</td>
</tr>
<tr>
<td>$750,000 - $1,065,600</td>
<td>3</td>
<td>$987,384.59</td>
<td>$117,751.56</td>
<td>$48,356.25</td>
<td>4.90%</td>
</tr>
<tr>
<td>&gt; $1,065,600</td>
<td>23</td>
<td>$3,255,996.39</td>
<td>$1,607,449.69</td>
<td>$49,322.61</td>
<td>1.51%</td>
</tr>
<tr>
<td>BIF claim value</td>
<td>Number of decisions made by adjudicators</td>
<td>Average total claimed amount</td>
<td>Average adjudicated amount</td>
<td>Average adjudicator fees</td>
<td>Average adjudicator fees as a % of average total claimed amount</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------------------------------</td>
<td>-----------------------------</td>
<td>----------------------------</td>
<td>--------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>$0 - $10,000</td>
<td>43</td>
<td>$4,870.59</td>
<td>$3,261.73</td>
<td>$719.30</td>
<td>14.77%</td>
</tr>
<tr>
<td>$10,000 - $50,000</td>
<td>40</td>
<td>$25,046.80</td>
<td>$15,187.32</td>
<td>$2,066.30</td>
<td>8.25%</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>14</td>
<td>$69,096.35</td>
<td>$35,787.09</td>
<td>$7,743.70</td>
<td>11.21%</td>
</tr>
<tr>
<td>$100,000 - $250,000</td>
<td>16</td>
<td>$152,368.70</td>
<td>$85,419.84</td>
<td>$8,020.92</td>
<td>5.26%</td>
</tr>
<tr>
<td>$250,000 - $500,000</td>
<td>3</td>
<td>$409,283.23</td>
<td>$344,473.43</td>
<td>$14,399.33</td>
<td>3.52%</td>
</tr>
<tr>
<td>$500,000 - $750,000</td>
<td>2</td>
<td>$593,518.50</td>
<td>$0.00</td>
<td>$25,643.75</td>
<td>4.32%</td>
</tr>
<tr>
<td>$750,000 - $1,065,600</td>
<td>1</td>
<td>$818,534.52</td>
<td>$0.00</td>
<td>$21,428.94</td>
<td>2.62%</td>
</tr>
<tr>
<td>$1,065,600 - $2,000,000</td>
<td>5</td>
<td>$10,393,788.52</td>
<td>$2,918,066.37</td>
<td>$55,980.83</td>
<td>0.54%</td>
</tr>
</tbody>
</table>
The parties to an adjudication are each liable for adjudicator fees and expenses in equal proportions unless the adjudicator decides otherwise. Tables 24 and 25 set out the average adjudicator fees proportioned between the parties for decisions made between 1 July 2018 to 30 June 2019:

<table>
<thead>
<tr>
<th>BCIPA claim value</th>
<th>Average adjudicator fees</th>
<th>Average amount of adjudicator fees payable by respondent</th>
<th>Average amount of adjudicator fees payable by claimant</th>
<th>Average portion of adjudicator fees payable by respondent</th>
<th>Average portion of adjudicator fees payable by claimant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10,000</td>
<td>$714.29</td>
<td>$431.21</td>
<td>$283.07</td>
<td>60.37%</td>
<td>39.63%</td>
</tr>
<tr>
<td>$10,000 - $50,000</td>
<td>$2,002.40</td>
<td>$1,283.08</td>
<td>$719.32</td>
<td>64.08%</td>
<td>35.92%</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>$7,310.78</td>
<td>$5,834.70</td>
<td>$1,476.08</td>
<td>79.81%</td>
<td>20.19%</td>
</tr>
<tr>
<td>$100,000 - $250,000</td>
<td>$10,018.82</td>
<td>$6,979.85</td>
<td>$3,038.97</td>
<td>69.67%</td>
<td>30.33%</td>
</tr>
<tr>
<td>$250,000 - $500,000</td>
<td>$9,387.83</td>
<td>$6,445.14</td>
<td>$2,942.68</td>
<td>68.65%</td>
<td>31.35%</td>
</tr>
<tr>
<td>$500,000 - $750,000</td>
<td>$13,871.48</td>
<td>$8,545.70</td>
<td>$5,325.78</td>
<td>61.61%</td>
<td>38.39%</td>
</tr>
<tr>
<td>$750,000 - $1,065,600</td>
<td>$48,356.25</td>
<td>$21,828.13</td>
<td>$26,528.13</td>
<td>45.14%</td>
<td>54.86%</td>
</tr>
<tr>
<td>&gt; $1,065,600</td>
<td>$49,322.61</td>
<td>$28,877.23</td>
<td>$20,445.38</td>
<td>58.55%</td>
<td>41.45%</td>
</tr>
</tbody>
</table>
Advisory service

On commencement of the BIF Act, an advisory service was introduced to educate consumers about the role of the Registry and the adjudication process. With the introduction of the advisory service, stakeholders are now connected directly to Registry staff for timely information about the adjudication process. This is a service not previously available and provides support to those in disputes. As shown in the graph below, the number of enquiries resolved by the Registry has increased significantly since the commencement of the BIF Act:

<p>| TABLE 25 | BIF ACT: ADJUDICATION FEE AS PROPORTIONED BETWEEN THE PARTIES |
|-----------------------------------------------|</p>
<table>
<thead>
<tr>
<th>BIF claim value</th>
<th>Average adjudicator fees</th>
<th>Average amount of adjudicator fees payable by respondent</th>
<th>Average amount of adjudicator fees payable by claimant</th>
<th>Average portion of adjudicator fees payable by respondent</th>
<th>Average portion of adjudicator fees payable by claimant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10,000</td>
<td>$719.30</td>
<td>$507.33</td>
<td>$211.98</td>
<td>70.53%</td>
<td>29.47%</td>
</tr>
<tr>
<td>$10,000 - $50,000</td>
<td>$2,066.30</td>
<td>$1,466.21</td>
<td>$600.09</td>
<td>70.96%</td>
<td>29.04%</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>$7,743.70</td>
<td>$4,662.00</td>
<td>$3,081.71</td>
<td>60.20%</td>
<td>39.80%</td>
</tr>
<tr>
<td>$100,000 - $250,000</td>
<td>$8,020.92</td>
<td>$6,213.28</td>
<td>$1,807.64</td>
<td>77.46%</td>
<td>22.54%</td>
</tr>
<tr>
<td>$250,000 - $500,000</td>
<td>$14,399.33</td>
<td>$14,399.33</td>
<td>$0.00</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>$500,000 - $750,000</td>
<td>$25,643.75</td>
<td>$8,250.00</td>
<td>$17,393.75</td>
<td>32.17%</td>
<td>67.83%</td>
</tr>
<tr>
<td>$750,000 - $1,065,600</td>
<td>$21,428.94</td>
<td>$0.00</td>
<td>$21,428.94</td>
<td>0.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>&gt; $1,065,600</td>
<td>$55,980.83</td>
<td>$30,436.61</td>
<td>$25,544.22</td>
<td>54.37%</td>
<td>45.63%</td>
</tr>
</tbody>
</table>

Advisory service

On commencement of the BIF Act, an advisory service was introduced to educate consumers about the role of the Registry and the adjudication process. With the introduction of the advisory service, stakeholders are now connected directly to Registry staff for timely information about the adjudication process. This is a service not previously available and provides support to those in disputes. As shown in the graph below, the number of enquiries resolved by the Registry has increased significantly since the commencement of the BIF Act:

<table>
<thead>
<tr>
<th>NUMBER OF ENQUIRIES RESOLVED BY THE REGISTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUL</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

2018 – Before introduction of BIF on 17 Dec 2018
2018-2019 – After introduction of BIF on 17 Dec 2018
Forecast of Registry Operations

With the implementation of the BIF Act in December 2018 and the simultaneous appointment of the new Adjudication Registrar, the Registry is conducting a review of all systems and processes to ensure maximum efficiency in meeting its statutory mandate. This review will continue into the financial year.

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

- meeting consumer advisory obligations
- enhancing reporting capability
- annual review of adjudicator grading
- implementing the Adjudicator’s Code of Conduct
- administering the continuing professional development requirements for adjudicators.

INTERNAL REVIEW

We offer a free, independent internal review service to reduce the number of administrative reviews made through QCAT in accordance with the QBCC Act. Examples of the types of reviewable decisions include:

- to issue or not to issue a direction to rectify and/or complete work
- that rectification/completion work is or is not of a satisfactory standard
- the scope of works for an insurance claim
- to disallow part of an insurance claim or a whole insurance claim
- that a certifier has not engaged in unsatisfactory conduct or professional misconduct
- to refuse a licence application or renewal
- that a building certifier has engaged in unsatisfactory conduct or professional misconduct.

During 2018–2019, we opened 688 internal review cases. 733 internal review cases were closed during the reporting period. We also processed cases from previous financial years.

As a result of the 733 internal reviews completed during 2018–2019:

- 440 (60 per cent) original decisions were upheld
- 74 (10.09 per cent) original decisions were overturned
- 75 (10.23 per cent) original decisions were varied
- 144 (19.64 per cent) matters were discontinued.

We discontinued 144 matters because:

- 56 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 12 of the original decisions purportedly under review, the decision had either not yet been made
- applications in relation to 27 decisions were withdrawn by the applicant
- 11 applications were closed with no further action taken, for reasons including lack of standing to make a review application or were lodged outside of time
- 38 applications were not accepted outside the legislated timeframe.

As at 30 June 2019, 15 cases remained open. On average, it took 41 days to process an internal review case in the reporting period.
CUSTOMER FEEDBACK POLICY


Feedback from our customers is an integral part of our aim to deliver high-quality advice and services to our regulated and non-regulated stakeholders. It also provides valuable insight into business improvement opportunities.

We have adopted an unbiased, transparent and accountable approach to investigate negative customer feedback. Customer feedback can be lodged via an online form on the ‘Contact Us’ page on our website. Feedback is also accepted via email, social media, face-to-face, over the phone, facsimile or through mail. Survey response comments are also captured as feedback cases. Staff are encouraged to capture all feedback, including service complaints, compliments and suggestions.

The substantial increase in feedback cases reflects our initiative to make it easier to provide feedback. Prompt action was taken in relation to almost all contacts received. All service complaints were assessed and investigated where appropriate, and steps taken to improve communications and address complainants’ concerns in accordance with our Customer Feedback Policy. Suggestions provided by our customers were also reviewed and actioned where appropriate.

SERVICE AND ADMINISTRATIVE PROCESS COMPLAINTS

Service and administrative complaints about the conduct of QBCC staff are referred to the Integrity and Complaints Branch (ICB) within the QBCC. In the 2018–2019 period, the ICB received 34 referrals of complaints, of which 23 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 23 matters, 92 per cent were finalised within benchmark. The benchmark for matters requiring investigation is set at 139 days. Of the 11 matters referred for investigation, 82 per cent were completed under benchmark. There were four matters requiring disciplinary intervention.

| TABLE 26 | CUSTOMER FEEDBACK STATISTICS OVER THE PAST FOUR YEARS |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Suggestions     | 259         | 544         | 830         | 1,074        | 29.4%           |
| Compliments     | 191         | 275         | 260         | 237          | (8.9%)          |
| Service complaints | 749       | 1,505       | 1,734       | 1,782        | 2.7%            |
To align with the Queensland Government’s “Responsive Government” agenda, our strategies include:

- utilising data driven insights for action
- improving service provision, innovation and compliance
- refining our internal governance systems to ensure appropriate and effective decision-making.

Fundamental to achieving this are reliable and accessible systems, enhanced capabilities and a better use of data. Over the reporting period a key focus was to continue ensuring we have the right capabilities, with the necessary tools to enable staff to focus on the right activities.

**TABLE 27 | OBJECTIVE 3 SUCCESS MEASURES**

<table>
<thead>
<tr>
<th>Supporting measures</th>
<th>Target</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key result area: use of data to drive decision-making and action</td>
<td>Qualitative statement</td>
<td>See information contained in this chapter</td>
<td></td>
</tr>
<tr>
<td>Key result area: productivity and satisfaction of internal services</td>
<td>Decrease in unplanned IT outages</td>
<td>Decreasing</td>
<td>Decreasing</td>
</tr>
<tr>
<td>New IT system in place and functioning to set specifications by agreed timeframes</td>
<td>On track</td>
<td>On track</td>
<td>All projects delivered within defined timeframes, with the exception of one project due to issues outside of the control of the project delivery team. This is on track for delivery by the agreed adjusted timeframe.</td>
</tr>
</tbody>
</table>

**INSIGHTS DRIVEN REGULATOR**

In 2018, we began our journey to be more insights driven to support the move to becoming a more risk-based regulator. Through insights and early detection, we will be able to anticipate problems and mobilise resources swiftly and effectively.

In 2018–2019, the QBCC continued building on its capabilities by developing the necessary infrastructure to enable better data interrogation and reporting capabilities. We have also explored various options to share information across different government agencies that will assist in shaping early detection and surveillance across the building and construction sector.

**STATE-WIDE DISTRIBUTION OF WORK**

The state-wide distribution of work project will move us to being a more equitable organisation when it comes to our customer wait-time experience. Changes associated with this will mean that when a customer submits a complaint to the QBCC, it will be handled by the next available assessment officer across the state (regardless of location).

Other benefits to be realised include:

- equal distribution of work across the organisation based on FTE (full-time equivalent)
- consistency of process across the state
- ability to manage the ups and downs of workflow across the state
- flexibility for staff – staff don’t have to be based in Brisbane.


**PROCESS OPTIMISATION**

The purpose of the project is to ensure the QBCC has efficient operational processes by redesigning them to allow individual teams to perform their best.
The project will enhance operational and organisational excellence by identifying opportunities to improve processes to be an effective regulator and ensure staff move from routine to high value work.

As at 30 June 2019, the project has achieved the following:

• 99 per cent of all processes are mapped for the first time
• number of pain points identified: over 950
• number of quick wins identified: 335
• number of system improvements identified: 290.

QUALITY ASSURANCE FRAMEWORK

Over the 2018–2019 year, we overhauled our approach to quality assurance and created a framework that is contemporary, fit-for-purpose and meets our obligations of a regulator and arm’s length public sector entity.

The updated framework will commence in the first quarter of the new financial year and provides:

• a consistent mechanism for all areas of the QBCC to monitor and record critical quality metrics
• staff with clear and transparent expectations of what quality outputs look like
• a positive and development-focused approach to providing quality feedback on results
• leaders, managers and executives with the right information to know exactly how the critical aspects of their business are performing on a regular basis, and enable decision-making with enhanced qualitative and quantitative data.

RISK AND ISSUE MANAGEMENT

In 2017–2018, we commenced our journey to become a more risk intelligent organisation by updating our Enterprise Risk Framework.

Fundamental to this was improved reporting to the Board, the Finance, Audit and Risk Committee, the Commissioner, the Deputy Commissioner and the Executive Team, which continued throughout the 2018–2019 reporting period.

In 2018–2019, we built on this work by:

• reviewing the strategic risks and the risk appetite with consideration to the internal and external environmental scan as part of the strategic planning process. This process assists the QBCC to identify emerging risks, manage our risks against our objectives and realise opportunities which would enhance our service delivery.

• responding to the Economics and Governance Committee regarding the Auditor-General’s report Fraud risk management Report 6: 2017-18, with the QBCC as one of five Queensland agencies audited. The response confirmed our completion of the implementation of the recommendations in that report.

The Fraud Risk Management Audit has strengthened our commitment to conducting fraud and corruption risk assessments and internal control reviews to ensure control effectiveness in the prevention of fraud and corruption incidents.

INTERNAL AND EXTERNAL AUDITS

Ernst Young’s tenure as our internal auditor concluded on 30 June 2019. Over the 2018–2019 reporting period, our internal auditors undertook seven internal audits, in the areas of Investigation Unit - Plumbing and Pools, Procurement, Contractor Management, Cybersecurity Awareness, Multi-Disciplinary Team (MDT) Review, Claims Management and Leakage Benchmarking and Business Continuity / Disaster Recovery.

The Queensland Audit Office (QAO) is our external auditor under the terms of the Financial Accountability Act 2009. In late 2018, the QAO advised us that it has commenced planning for a performance audit, due to commence in the first quarter of the 2019–2020 financial year.

PRUDENT INVESTMENT MANAGEMENT

The Finance, Audit and Risk 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 2018. 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 providing the community with greater access to information through supporting the proactive disclosure of information unless on balance it is contrary to public interest. We also recognise the importance of protecting the personal information of individuals in accordance with the Information Privacy Principles, ensuring the collection of personal information is done fairly and lawfully, and that all reasonable steps are taken to safeguard the information collected in regard to storage, use and disclosure.

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

In 2018–2019, we finalised 248 applications under the RTI and IP Acts with 122,552 pages and audios assessed. Of the documents assessed, 109,165 pages and audios were released in full and 6,519 were partially released to QBCC applicants.

The QBCC Administrative Access (AA) Policy supports the proactive disclosure of information, allowing 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 220 AA requests in 2018–2019 releasing 14,274 pages 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. Five 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
- overseas travel
- Queensland Language Service Policy.

RECORDS MANAGEMENT

In October 2018, we implemented a new Enterprise Content Management (ECM) system to replace our existing electronic document and records management system. This phase of the project migrated 13,282,857 records across to the new platform and marked the first iteration of our journey towards digital recordkeeping.

In January 2019, an ECM retraining program commenced to provide comprehensive change management and training across the organisation. The scope of the project was to raise awareness of legislative obligations related to recordkeeping, facilitate ECM enhancement workshops and train the workforce in the use of the system. The project ended in May 2019 and has supported our staff to embed utilisation of the new ECM. This has achieved a noticeable increase in records capture and improved compliance with the Public Records Act 2002. Increased records capture, discoverability and accessibility will also aid us to become an insights driven regulator.

Both projects are underpinned by a robust information management and records management framework to ensure that people, systems and processes are aligned with the applicable legislation, standards and policies.

Our disposal program continues to be on hold until the physical database (records management system) is migrated to the new ECM and retention and disposal governance is endorsed. It is anticipated that all records will be resentenced in ECM after migration. The disposal program will then be reinitiated.
Our people are at the core of everything we do. A key focus for us over 2018–2019 was to continue our journey to become a more diverse organisation. Our strategies to demonstrate our commitment to our people include:

- delivering a program of work that develops talent and leadership capability
- maintaining initiatives and policies which demonstrate our commitment to ensuring our staff feel valued and reward behaviours and outcomes that are aligned with our behaviours
- creating an organisational culture so that QBCC works collectively to achieve our goals.

### OBJECTIVE

To nurture our people to help them be courageous and their best

### TABLE 28 | OBJECTIVE 4 SUCCESS MEASURES

<table>
<thead>
<tr>
<th>Supporting measures</th>
<th>Target</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key result area: employee engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff satisfaction</td>
<td>80%</td>
<td>79%</td>
<td>Based on the Working for Queensland Survey.</td>
</tr>
<tr>
<td>Gender parity male/female split level 6 &amp; above</td>
<td>50%/50%</td>
<td>58%/42%</td>
<td></td>
</tr>
</tbody>
</table>

| Key result area: diversity across the workforce          |        |        |                                            |
| Qualitative statement                                   | See information in this chapter                |

### WORKFORCE PROFILE

As at 30 June 2019, the QBCC employed 480.58 (461.69 active) FTE (full-time equivalent) staff across professional, technical and administrative roles against a target of 474 FTE, with 85.88\(^2\) per cent of our staff providing frontline services.

### TABLE 29 | WORKPLACE PROFILE AS AT 30 JUNE 2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>221</td>
<td>225</td>
<td>235</td>
<td>244</td>
<td>272</td>
</tr>
<tr>
<td>Aboriginal &amp; Torres Strait Islander</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>People with a disability</td>
<td>22</td>
<td>20</td>
<td>16</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Non-English speaking background</td>
<td>35</td>
<td>39</td>
<td>32</td>
<td>40</td>
<td>59</td>
</tr>
</tbody>
</table>

\(^2\) In 2017–2018, the QBCC adjusted its definition of frontline services to better align with the rest of the Queensland Government.
### TABLE 30 | WORKFORCE DIVERSITY AS AT 30 JUNE 2019 (BASED ON SUBSTANTIVE POSITION)

<table>
<thead>
<tr>
<th>Level</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>EEO Target groups*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative A01-A03</td>
<td>32</td>
<td>68</td>
<td>100</td>
<td>24</td>
</tr>
<tr>
<td>Administrative A04-A05</td>
<td>54</td>
<td>119</td>
<td>173</td>
<td>32</td>
</tr>
<tr>
<td>Middle management A06-A08</td>
<td>119</td>
<td>78</td>
<td>197</td>
<td>24</td>
</tr>
<tr>
<td>Executive management SO</td>
<td>7</td>
<td>4</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Executive management SES</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>% of total staff</td>
<td>44%</td>
<td>56%</td>
<td>100%</td>
<td>17%</td>
</tr>
</tbody>
</table>

*The numbers in this column represent the Aboriginal & Torres Strait Islander, People with a disability and Non-English speaking background EEO target groups.

### ATTRACTING AND RETAINING OUR WORKFORCE

In 2018–2019, we continued our commitment to attract and retain a skilled and capable workforce. We continued our Employee Value Proposition and introduced key supporting initiatives including:

- dedicating resources to assist staff to manage changes occurring in the workplace
- a Future of Work project to improve employee experience by embedding multidisciplinary teams, mapping all key business processes, and delivering a Quality Assurance Framework to help staff make right decisions
- a digital literacy working group to build digital capability across the organisation
- commencing initiatives such as the School Leavers Program and Business Administration Traineeship aimed at attracting young people.

These initiatives, in addition to continuing current initiatives already in place, like a 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 2018–2019 permanent separation rate was 8.04 per cent.

### KEEPING OUR STAFF SAFE AND HEALTHY

Health and safety is important at the QBCC. In 2018-2019, we took steps to ensure that:

- Health and Safety representatives received training to fully represent workgroups
- a wellness strategy was developed that would provide a roadmap to increase 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
- staff had access to variable working hours and work from home arrangements. Thirty-seven per cent of our staff had taken up work from home arrangements.
- staff adhered to a set of guiding behaviours contained in a ‘Team Principles and Expected Behaviours’ document.

### KEEPING OUR STAFF ENGAGED

The QBCC participated in the 2018 Working for Queensland survey which is used by other Queensland public service agencies to measure employee perceptions of the workplace climate. The 2018 staff engagement results saw a positive increase with 79 per cent of our staff reporting a positive or neutral rating compared to the 2017 result which was 68 per cent. Prior to this, the QBCC undertook its own staff engagement survey. Our 2018 staff participation rate was a record 92 per cent compared to 72 per cent completion in 2017. The survey yielded valuable information on what could be improved and resulted in an Action Plan 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 on a regular basis. Formal checkpoints are scheduled every quarter when individual performance is recorded in Performance Development Plans. The QBCC’s final checkpoint is at 88 per cent completion rate which is above our target of 80 per cent.

We are 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. Through SARAS, we support staff members who wish to undertake degree or doctorate programs, professional qualifications or other nationally approved vocational qualifications related to their area of work. Currently there are 48 staff members utilising SARAS.

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. Currently there are eight staff members attending Emerging Leaders Program 2018–2019 with an expected completion time in December 2019.

The QBCC’s Talent Management Framework supports the development of all staff across the organisation. In 2018–2019, the QBCC’s Learning and Development team developed, organised and delivered 600 courses. This achieved an 87 per cent attendance rate for face-to-face sessions, and 86 per cent completion rate for mandatory e-Learning modules.

CORPORATE SOCIAL RESPONSIBILITY

We took part in a number of corporate social responsibility activities in 2018–2019. This included:

• sponsorship of the National Association of Women in Construction (NAWIC) to support its important work towards empowering women in the construction and related industries reach their full potential.
  As part of this, the QBCC supported a scholarship for a NAWIC member to undertake the Australian Institute of Company Directors course.

• participation in the Darkness to Daylight Challenge run to raise awareness of domestic and family violence

• donations to the RSPCA to support work to prevent cruelty to animals, including an opportunity for staff to cuddle dogs and puppies as a wellness initiative

• donations to the Share the Dignity initiative which helps the homeless, at-risk and those experiencing domestic violence

• donations to Mates in Construction.

DIVERSITY AND INCLUSION

We regularly engage in activities that promote an inclusive work culture and environment. Organised by our REDI Squad (Respect, Equity, Diversity, Inclusion), a variety of events and activities were held in 2018–2019 for both staff and our customers such as:

• development and roll-out of formal Diversity and Inclusion classroom training

• formation of a Reconciliation Action Plan working group and conditional approval of the QBCC ‘Reflect’ Reconciliation Action Plan

• our Diversity and Inclusion Policy

• raising awareness of diabetes in conjunction with the World Diabetes Day

• promoting the need to value mental health in conjunction with the Queensland Mental Health Week in October 2018.

In addition, we developed and published our Welcome to Country and Acknowledgement of Country Policy to provide guidance to staff around when these are to be conducted.

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.

EARLY RETIREMENT, REDUNDANCY AND RETRENCHMENT

No redundancy, early retirement or retrenchment packages were paid during the period.
Since 2016, we have been working hard to become a more financially sustainable organisation. Our strategies are to:

- drive responsible and efficient practices to ensure financial sustainability
- manage the Queensland Home Warranty Scheme in accordance with actuarially sustainable practices.

### TABLE 31 | OBJECTIVE 5 SUCCESS MEASURES

<table>
<thead>
<tr>
<th>Supporting measures</th>
<th>Target</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key result area: A strong net asset position for QBCC general fund</td>
<td>Qualitative statement</td>
<td>See Financial Statements section in the Annual Report on page 71</td>
<td></td>
</tr>
<tr>
<td>Key result area: Sufficient reserves in the Queensland Home Warranty Scheme to cover expected future claims</td>
<td>Qualitative statement</td>
<td>See Financial Statements section in the Annual Report on page 71</td>
<td></td>
</tr>
<tr>
<td>Key result area: Managing balanced budgets</td>
<td>Qualitative statement</td>
<td>See Financial Statements section in the Annual Report on page 71</td>
<td></td>
</tr>
</tbody>
</table>

Further information on the QBCC’s financial performance can be found on page 72 of this report.