**Queensland**

**Building and Construction Commission**

**Annual Report**

**2021-2022**

ISSN 2203-9589 (Print)

ISSN 2203-9597 (Online)

**Licence**

This annual report is licensed by the Queensland Building and Construction Commission under a Creative Commons Attribution (CC BY) 4.0 International licence.



**CC BY Licence Summary Statement**

You are free to copy, communicate and adapt this annual report, as long as you attribute the work to the Queensland Building and Construction Commission.

To view a copy of this licence, visit

http://creativecommons.org/licenses/by/4.0/

**Attribution**

Content from this annual report should be attributed as:

Queensland Building and Construction Commission Annual Report 2021-2022.

**About this report**

This report summarises the activities and performance of the Queensland Building and Construction Commission (QBCC) for 2021-2022 against key business objectives and targets as set by the Queensland Building and Construction Board (QBC Board), the Government’s objectives for the community and the QBCC 2020-2024 (revised for 2021-22) Strategic Plan. The report reflects the QBCC’s commitment to effective corporate governance through openness and accountability, and provides an account of our revenue and expenditure.

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

**Interpreter service statement**

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



**Enquiries**

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

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

299 Montague Road West End Qld 4101 or locate a regional service centre [www.qbcc.qld.gov.au/contact-us](https://www.qbcc.qld.gov.au/contact-us). Addresses are also available on page 12 of this report.

T: 139 333

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

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

**Acknowledgment of Country**

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

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

© Queensland Building and Construction Commission 2022

CONTENTS

[Letter of Compliance 4](#_Toc114650531)

[About us 5](#_Toc114650532)

[QBC Board Chair’s message 6](#_Toc114650533)

[Commissioner’s Foreword 8](#_Toc114650534)

[Our structure 9](#_Toc114650535)

[Our Board 10](#_Toc114650536)

[Our reach across Queensland 12](#_Toc114650537)

[Where to find us in the regions 12](#_Toc114650538)

[Our performance 13](#_Toc114650539)

[Objective 1: Promote quality, safety, security of payment and licensee sustainability 14](#_Toc114650540)

[Objective 2: Deliver regulatory and insurance services that are timely, accurate, fair and transparent 31](#_Toc114650541)

[Objective 3: Put our people first, and support and value them 41](#_Toc114650542)

[Objective 4: Be efficient and financially sustainable 45](#_Toc114650543)

[Corporate Governance 48](#_Toc114650544)

[Financial Performance 57](#_Toc114650545)

[Summary of financial performance 58](#_Toc114650546)

[Glossary 60](#_Toc114650547)

[Index of Tables 61](#_Toc114650548)

[Compliance Checklist 62](#_Toc114650549)

# Letter of Compliance

21 September 2022

The Honourable Mick de Brenni MP

Minister for Energy, Renewables and Hydrogen and

Minister for Public Works and Procurement

1 William Street

Brisbane Qld 4000

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2021-2022 and financial statements for the Queensland Building and Construction Commission.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements is provided at page 62 of this Annual Report.

Yours sincerely

R. L. Williams

Chair

Queensland Building and Construction Board

# About us

**Our Role**

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

We are an independent statutory body established under the *Queensland Building and Construction Commission Act 1991* (QBCC Act) governed by the Queensland Building and Construction Board (QBC Board). Our responsible Minister is the Honourable Mick de Brenni MP, Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement. The QBCC is responsible for regulating the building and construction industry, while the Department of Energy and Public Works (DEPW) assists the government to develop and progress the government’s policy.

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

### Our Strategic Plan

The QBCC 2020-2024 (revised for 2021-22) Strategic Plan, which this Annual Report pertains to, lays out four strategic objectives, associated strategies, and the performance measures which we use to ascertain if we are achieving the objectives.

A further discussion of our performance is contained in the following chapters of this Annual Report. Our Strategic Plan also details the risks that could hinder achievement of our objectives, and the opportunities that could assist us in achieving them. The Strategic Plan makes it clear that our staff matter and commits us to always putting the welfare of our people at the forefront of all we do.

In carrying out our work, the QBCC values the following behaviours in our staff:

* professionalism
* integrity
* accountability
* teamwork
* customer focus.

The QBCC 2020-2024 (revised for 2021-22) Strategic Plan can be downloaded at [www.qbcc.qld.gov.au/about-us/our-corporate-publications/strategic-plan](https://www.qbcc.qld.gov.au/about-us/our-corporate-publications/strategic-plan). The QBCC is currently undertaking a comprehensive review of our Strategic Plan. The new plan will be officially published by 1 July 2023.

# QBC Board Chair’s message

The 2021-2022 financial year brought with it further tests for the building and construction industry at a time when we were all hoping to see some respite from the hardships of recent years.

We have recently witnessed the unusual and unfortunate situation where an increase in demand for building work has had a negative effect on our industry.

A shortage of labour and increasingly expensive building materials, a boost in interstate migration to Queensland and natural disasters have exerted considerable pressure on an industry that had already been impacted by the COVID pandemic.

In situations like these, the QBCC and the QBC Board will seek practical, effective solutions to help address the issue.

The QBC Board’s ongoing efforts to identify potential improvements in the QBCC’s business practices have been augmented by the recently released QBCC Governance Review.

The review generally aligns with the strategic direction and initiatives the QBC Board had been pursuing prior to the establishment of the review, and we support and welcome its recommendations.

The recommendations will help the QBCC become an even better regulator by delivering an enhanced governance framework and other improvements.

The QBCC Governance Review has been a timely and appropriate method of evaluating the QBCC, after its work in delivering a comprehensive suite of building industry reforms since 2017.

The review acknowledges that the reforms have increased the compliance and enforcement activities of the QBCC and as a result, some changes are required to its existing structure.

I would like to take this opportunity to thank our people at the QBCC for their tireless efforts in the service of the Queensland building and construction industry.

I would also like to acknowledge their resilience in turning out first-class work and delivering excellent service despite at times being subjected to unjustified criticism and misinformation.

I believe that transforming the QBCC in line with the review’s recommendations will be good for the building and construction industry, help home owners, and benefit all Queenslanders who live, work, study and play in the built environment.

I want to reassure industry participants that the QBCC’s work regarding the QBCC Governance Review will not distract from its core regulatory responsibilities.

The QBCC will continue to work to ensure that building work is performed legally, safely and to standard by licensed individuals.

There will also be a continuing focus on the economic wellbeing of our industry, to minimise any financial risks to licensees, suppliers, and the public.

In closing and acknowledging that this will be my last annual report as Chair, as I will not be seeking reappointment, I want to sincerely thank my colleagues on the QBC Board.

Their outstanding efforts during the past 12 months have helped to guide the regulation of this industry, which is a leading employer and valuable contributor to Queensland’s economy.

R. L. Williams

Chair

Queensland Building and Construction Board

# Commissioner’s Foreword

When I became CEO & Commissioner of the Queensland Building and Construction Commission in February 2022, the building and construction industry had been confronted by a number of challenges over a prolonged period of time. Since starting in the role, I have been impressed by the ongoing resilience of everyone plying their trade during one of the toughest periods our industry has ever seen.

In June this year, an independent review into the governance arrangements of the QBCC was completed. The review is comprehensive and the recommendations and actions that flow from it are overwhelmingly positive and will help us become an even more effective and efficient, outcomes-oriented and customer-centric regulator. I am sure this will be welcomed by all our stakeholders and customers.

While the review was underway, the QBCC was getting on with the important job of protecting the people of Queensland and helping everyone working in the building and construction industry.

In February 2022, Wide Bay-Burnett, the Western Downs, southeast Queensland, and other parts of the State experienced major flooding, resulting in extensive damage to residential and commercial properties and community facilities.

As is always the case after a natural disaster, the QBCC quickly got boots on the ground to provide advice and assistance during the post-flooding recovery and rebuilding phases. We also established the online Recover and Rebuild Tradie Register, connecting property owners with local, licensed contractors.

Meanwhile, our regulatory activities have also continued to deliver positive outcomes.

More than 9,000 applications were approved for new licensees in 2021-2022, taking the number of builders, trade contractors, certifiers, and occupational licence holders past 112,000. Our oversight of licensees provides reassurance to all Queenslanders because we require contractors to hold a high standard of technical qualifications and the financial capacity to complete their work.

The QBCC’s achievements in the past year include 150,171 policies issued under the Queensland Home Warranty Scheme, and 1,628 claims finalised, helping owners to complete their homes and rectify defective building work through claims payments totalling $36 million.

We also helped building industry creditors recover $4.73 million through the monies-owed complaints process and facilitated the awarding of $15.85 million through the adjudication process.

Meanwhile, QBCC officers inspected 1,375 active construction sites to identify defective work.

I want to acknowledge the hard work and dedication of the 500-plus people working at the QBCC who made all of that possible in what was a tough year in many respects.

If our industry is met with further challenges over the next 12 months, I take comfort from knowing that the people working in it will adapt to any circumstances, as they have done so unflinchingly of late.

The QBCC team will also be there, as we always are, to support the building and construction industry and provide reassurance to those who undertake building work.

Anissa Levy

CEO & Commissioner

Queensland Building and Construction Commission

# Our structure

The QBCC’s management structure chart identifies the key figures within the organisation and their areas of responsibility as at 30 June 2022.

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

The Honourable Mick de Brenni MP

**SERVICE TRADES COUNCIL**

(see page 54)

**QBC BOARD** (see page 10)

**CEO and COMMISSIONER**

Anissa Levy

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

**CHIEF FINANCIAL OFFICER**

Tim Murphy

**ASSISTANT COMMISSIONER**

**(Technical)**

Gary Saunders

(acting)

**ASSISTANT COMMISSIONER**

**(Service Trades and Regulatory)**

Chris McCahon

(acting)

**CHIEF STRATEGY AND TRANSFORMATION OFFICER**

Jill Fitzroy

(acting)

**ADJUDICATION REGISTRAR**

Steve Barclay

(acting)

**CHIEF LEGAL OFFICER**

Cheriden Farthing

(acting)

**CHIEF**

**HUMAN RESOURCE OFFICER**

Fiona Leyden

(acting)

**CHIEF INFORMATION OFFICER**

Jeremy Janes

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

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

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

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

The Chief Information Officer leads the Information & Digital Services and Customer & Communications Divisions, which delivers critical information and communication services to QBCC staff and our customers. The division also manages the facilities used by the QBCC.

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

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

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

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

## Our Board

As at 30 June 2022

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

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

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

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

*LLB (Hons), GAICD*

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

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

**Lesley Anderson** – Appointed 1 December 2019

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

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

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

**Andrew Hickman** – Appointed 1 December 2019

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

**Jade Ingham** – Appointed 1 December 2019

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

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

**Brett Schimming**– Appointed 1 December 2019

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

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

**Robert Schwarten** – Appointed 1 December 2019

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

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

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

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

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

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

**Debra Johnson** – Appointed 1 December 2019

*FAICD*

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

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

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

**Cath Brokenborough** – Appointed 1 December 2019

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

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

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

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

**Meg Frisby** – Appointed 1 December 2019

*LLB*

QBC Board member Ms Frisby is a lawyer by profession and is the Director of Meg Frisby Consulting, a stakeholder relations and business development consultancy based in north Queensland. Ms Frisby specialises in working with local councils, indigenous organisations and small to medium-sized enterprises.

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

## Our reach across Queensland

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

Where to find us in the regions

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

*Manager:* Shane Murphy

*Active QBCC licensees:* 11,703

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

*Acting Manager:* Laura Pound

*Active QBCC licensees:* 5,894

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

*Manager: Dani Benstead*

*Active QBCC licensees:* 10,552

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

*Manager:* Daniel Stephensen

*Active QBCC licensees:* 3,985

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

*Manager:* Edward Goodsall

*Active QBCC licensees:* 2,889

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

*Manager:* Peter Graham

*Active QBCC licensees:* 2,591

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

*Manager:* William Piper

*Active QBCC licensees:* 3,886

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

*Manager:* William Courtney

*Active QBCC licensees:* 5,221

# Our performance

The following section highlights our performance against the four objectives within the QBCC Strategic Plan 2020-2024 (revised for 2021-22).

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

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

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

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

### Security of payment for subcontractors

In 2021-2022, the QBCC continued its implementation of key programs which help to ensure subcontractors can be confident they will be paid for the work they do. These included:

* implementing legislative changes brought about through the passing of the *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020* (BIFOLA) to ensure a safer, fairer and more sustainable building and construction industry
* continuing with financial audits and other activities to monitor compliance with minimum financial requirements (for licensees) and security of payment (e.g., trust account) obligations.

Activities under the Minimum Financial Requirements

As at 30 June 2022, 99.8 per cent of category 4-7 licensees lodged annual financial information with the QBCC under the new annual reporting requirements. The QBCC issued 60 show cause notices for suspected non-compliance with minimum financial requirements, eight licence suspensions and one licence cancellation, based on the financial information lodged for annual reporting purposes. The QBCC also imposed licence conditions on 17 licensees for failure to lodge the required financial information on time, which resulted in four suspensions and two cancellations.

99.9 per cent of licensees belonging to categories 1-3 had lodged their annual financial information as at 30 June 2022. The QBCC commenced 117 financial audits and issued 44 show cause notices for suspected non-compliance with minimum financial requirements to licensees in categories 1-3. Based on the financial information lodged for annual reporting purposes, the QBCC suspended 18 licences and cancelled six licences. The QBCC also imposed licence conditions on 572 licensees in categories 1-3 for failure to lodge the required financial information on time, resulting in 159 licences being suspended and 90 being cancelled.

Approximately 86.6 per cent of licensees belonging to categories SC1 and SC2 had lodged their annual financial information as at 30 June 2022. The QBCC took targeted compliance actions in respect of these licensees, and lodgement rates have improved over the previous year as a result.

The QBCC’s activities to date under the annual reporting requirements have resulted in the net tangible asset positions of category 4-7 licensees in Queensland improving by over $1.5 billion.

Financial audits and monies-owed investigations

During the financial year, the QBCC commenced 308 financial audits of licensees. The QBCC also conducted 201 non-payment of debts investigations, leading to 21 licence cancellations and 53 licences being suspended. Three licences were immediately suspended for breaching minimum financial requirements.

In the reporting period, approximately $4.7 million in outstanding debts were paid to creditors who lodged a ‘monies-owed’ complaint to the QBCC. The cumulative amount paid to ‘monies-owed’ creditors since the commencement of the minimum financial requirements policy in October 2014 up to 30 June 2022 was approximately $43.7 million.

The QBCC Act established a framework for excluding individuals from holding a contractor licence, nominee supervisor licence, site supervisor licence, or being in an influential role in a licensed company where the individual has been involved (in specified circumstances) with a financial failure. The QBCC excluded 183 individuals due to their involvement in a financial failure during the financial year. Of this number, 75 were licensees who had their licence cancelled. There were also 13 individuals permanently excluded due to their involvement in a second financial failure.

The QBCC may also exclude a company from holding a contractor licence if it has an excluded individual who is a director of, secretary of, or an influential person for the company. There were 53 companies excluded from holding a licence during the financial year.

Payment claim audits

The QBCC finalised a payment claim audit of 20 licensees during the financial year. The audit reviewed payment claims for the last five projects due for practical completion between 1 January 2020 and 31 March 2021 for these licensees. The audit program found no enforcement response was required for payment offences.

Project trust account approved audits

Parties that are required to use project trust accounts (for subcontractor payments) are subject to rules regarding deposits and withdrawals, recordkeeping and giving notifications. To monitor compliance with these requirements, two approved audit programs were carried out during the financial year. The audit programs reviewed the operation of 20 project trust accounts opened between 1 March 2021 and 30 June 2021, and 27 project trust accounts opened between 1 July 2021 and 28 February 2022. These audit programs did not result in any enforcement actions.

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

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

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

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

The below summarises activities that occurred in this area in 2021-2022:

* initiated 119 cases for breaches of Section 76 and closed 120 cases, including cases carried over from the previous year
* issued 25 penalty infringement notices for contraventions of Section 76
* opened two cases for offences of Section 88 and closed one case
* issued 10 penalty infringement notices for contraventions of Section 90
* issued no warnings for Section 90 and Section 76
* investigated one case for Information Sharing under Chapter 2
* investigated no cases for Related entities under Section 24
* investigated no cases for Ending Project Bank Accounts under Section 21.

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

Adjudication Registry

The Registry is established under the BIF Act. The main purpose of the BIF Act is to provide for effective, efficient, and fair processes for securing payment in the construction industry. The Adjudication process contributes to achieving this purpose by confirming three facts to parties in dispute:

* the amount of a progress payment, if any, to be paid by the respondent to the claimant (the adjudicated amount)
* the date on which any amount became or becomes payable
* the rate of interest payable on any adjudicated amount.

Adjudication applications

The table below outlines the total number of valid adjudication applications received by the Registrar for the period 1 July 2021 to 30 June 2022.

**Table 2: Number of valid adjudication applications received for 2021-2022**

|  |  |
| --- | --- |
| **Adjudication application type** | **Total** |
| Standard (less than $750,000) | 264 |
| Complex (greater than $750,000) | 29 |
| **Total number of applications** | **293** |

The table below outlines the total amount claimed from the 293 valid adjudication applications received by the Registrar for the period 1 July 2021 to 30 June 2022.

**Table 3: Adjudication claimed amount for 2021-2022**

|  |  |
| --- | --- |
| **Total value of claims** | **$101,938,586.07** |
| Maximum claim | $9,949,440.97 |
| Minimum claim | $522.68 |
| Average claim | $347,913.26 |

Adjudication Decisions

A registered adjudicator is an independent person, qualified to determine payment disputes under the BIF Act.

The table below sets out the total number of adjudicator registration and renewal applications for the period 1 July 2021 to 30 June 2022.

Table 4: Adjudicator registrations and renewal applications for 2021-2022

|  |  |  |
| --- | --- | --- |
| **Application type** | **Number** | **Fees paid** |
| Registration | 6 | $5,904.15 |
| Renewal | 44 | $37,111.80 |

Of the 293 adjudication applications received, a total of 262 were referred to an independent registered adjudicator for determination. The table below sets out the number of adjudication decisions released by registered adjudicators for the period 1 July 2021 to 30 June 2022.

Table 5: Number of adjudication decisions released by registered adjudicators in 2021-2022

|  |  |
| --- | --- |
| **Decision type** | **Total** |
| Standard (less than $750,000) | 157 |
| Complex (greater than $750,000) | 19 |
| **Total number of decisions released** | **176** |

The table below sets out the total amounts awarded by adjudication decisions released for the period 1 July 2021 to 30 June 2022.

Table 6: Adjudication decisions released

|  |  |
| --- | --- |
| **Total value of claims – decisions released** | **$51,816,750.76** |
| Maximum claim value – decision released | $6,238,689.22 |
| Minimum claim value – decision released | $1,320.00 |
| Average claim value – decisions released | $294,413.36 |
| Total value of adjudicated amount – decisions released | $15,854,533.66 |

Table7 sets out the total value of claims and amounts awarded by adjudication decisions released for the period 1 July 2021 to 30 June 2022, broken down by region.

Table 7: Total amounts awarded by adjudication decisions released in 2021-2022 – broken down by region

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Decisions by region** | **Number of applications made to the Registrar** | **Total value of claims** | **Number of decisions released** | **Total claimed amount of decisions released** | **Total value of adjudicated amount** |
| Brisbane | 175 | $44,325,595.28 | 104 | $22,444,375.46 | $5,011,276.50 |
| Cairns | 3 | $328,787.80 | 3 | $328,787.80 | $164,114.51 |
| Gold Coast | 19 | $5,959,449.75 | 10 | $2,475,723.08 | $974,875.25 |
| Mackay | 17 | $20,346,800.51 | 12 | $3,751,264.75 | $524,054.28 |
| Maryborough | 7 | $1,218,583.13 | 6 | $1,208,418.03 | $640,837.55 |
| Rockhampton | 19 | $4,946,879.92 | 10 | $4,374,308.94 | $2,220,277.92 |
| Sunshine Coast | 16 | $1,319,357.37 | 7 | $497,851.93 | $314,785.54 |
| Toowoomba | 22 | $12,038,724.83 | 13 | $5,787,288.42 | $3,318,577.90 |
| Townsville | 15 | $11,454,407.48 | 11 | $10,948,732.35 | $2,685,734.21 |
| **Total** | **293** | **$101,938,586.07** | **176** | **$51,816,750.76** | **$15,854,533.66** |

The table below sets out the average number of business days from making an adjudication application to having an adjudication decision made, for the period 1 July 2021 to 30 June 2022.

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

|  |  |  |
| --- | --- | --- |
|  | **Standard** | **Complex** |
| Maximum | 38.0 | 93.0 |
| Minimum | 5.0 | 21.0 |
| Average | 20.8 | 47.2 |

**Adjudication application fees**

Under the BIF Act, an application for adjudication must be accompanied by the prescribed fee. For the period 1 July 2021 to 30 June 2022, the prescribed application fee ranged from $60.70 for payment claims of no more than $10,353.05, to a percentage of the claimed amount for payment claims of more than $1,128,044.55 (capped at $6,073.80). The total value of adjudication application fees for applications lodged between 1 July 2021 and 30 June 2022 was $117,731.15.

The table below sets out the adjudication application fees and represents the fee as a percentage of the average total claimed amount for applications received by the registrar in the period 1 July 2021 to 30 June 2022.

Table 9: Adjudication application fees

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Claim value[[1]](#footnote-2)** | **Number of applications made to the Registrar** | **Average application fee** | **Average total claimed amount** | **Average application fee as a percentage of average total claimed amount** |
| $0 to $10,353.05 | 90 | $60.70 | $5,260.47 | 1.15% |
| >$10,353.05 to $51,765.30 | 78 | $182.15 | $24,441.92 | 0.75% |
| >$51,765.30 to $103,530.60 | 38 | $295.48 | $78,944.56 | 0.37% |
| >$103,530.60 to $258,826.50 | 37 | $425.21 | $167,691.10 | 0.25% |
| >$258,826.50 to $517,653 | 16 | $546.60 | $345,565.19 | 0.16% |
| >$517,653 to $776,479.50 | 6 | $668.05 | $625,173.02 | 0.11% |
| >$776,479.50 to $1,128,044.55 | 3 | $789.55 | $955,893.72 | 0.08% |
| > $1,128,044.55 | 25 | $2,214.59 | $3,128,257.91 | 0.07% |

Adjudicator fees

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

The table below sets out the average adjudicator fee as a percentage of the average total claimed amount for decisions released in the period 1 July 2021 to 30 June 2022.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Claim value** | **Number of decisions made by adjudicators** | **Average total claimed amount** | **Average adjudicator fees** | **Average adjudicator fees as a percentage of average total claimed amount** |
| $0 to $10,353.05 | 42 | $5,734.25 | $782.19 | 13.6% |
| >$10,353.05 to $51,765.30 | 52 | $23,691.07 | $2,736.90 | 11.6% |
| >$51,765.30 to $103,530.60 | 26 | $83,034.45 | $7,781.34 | 9.4% |
| >$103,530.60 to $258,826.50 | 25 | $166,186.01 | $12,030.26 | 7.2% |
| >$258,826.50 to $517,653 | 10 | $335,304.92 | $10,046.98 | 3.0% |
| >$517,653 to $776,479.50 | 2 | $570,434.41 | $13,827.00 | 2.4% |
| >$776,479.50 to $1,128,044.55 | 3 | $955,893.72 | $22,409.53 | 2.3% |
| > $1,128,044.55 | 16 | $2,291,801.98 | $44,537.10 | 1.9% |

Advisory service

The Registry provides an advisory service to further educate consumers about the role of the Registry and the adjudication process. Through the advisory service, stakeholders are connected directly to Registry staff for timely information about the adjudication process. The advisory service enhances awareness about payment rights and obligations.

For the previous 2020-2021 financial year, the Registry received a total of 1,050 enquiries. For the period 1 July 2021 to 30 June 2022, the Registry saw a decrease in the number of enquiries received to 902. This annual reduction in enquiries received can be attributed to the Registry’s efforts to improve application templates and a revision into information provided on the QBCC website.

Annual review of adjudicator grading

Section 22(1) of the Building Industry Fairness (Security of Payment) Regulation 2019 (BIF Regulation) provides for the review of adjudicator grading at least once every 12 months.

Pursuant to Section 20(a) of the BIF Regulation, an adjudicator is eligible to become a grade 2 adjudicator if the adjudicator has:

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

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

In respect of the adjudicator grade review for the period 1 July 2021 to 30 June 2022, there were five grade 1 adjudicators assessed as eligible for grade 2 registration.

Continuing professional development

Pursuant to section 165 of the BIF Act, it is a condition of registration that adjudicators complete continuing professional development (CPD) prescribed by regulation.

The BIF Regulation provides that an adjudicator must accumulate 10 CPD points in each CPD year (1 April to 31 March in the following year) through the completion of CPD activities. At the commencement of the reporting period for the CPD year, there were 153 registered adjudicators.

**Table 11: Activities pertaining to the 2021-2022 CPD year**

|  |  |
| --- | --- |
| CPD records provided | 143 |
| Cancelled registrations (BIF Act Section 171) | 5 |
| Surrendered registrations | 3 |
| No record required (BIF Regulation Section 30) | 2 |

Forecast of registry operations

With the implementation of the BIF Act in December 2018 and routine legislative amendments, the Registry continues to conduct a review of all systems and processes to ensure maximum efficiency in meeting its statutory mandate. To enhance regional customer experiences, the Registry conducts annual training on the adjudication process and associated procedures, with QBCC regional office staff across the State.

For the 2022-2023 financial year, increased workload for the Registry in respect of some functions is anticipated, including but not limited to:

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

### Licence suspensions and cancellations

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

Table 12: Licences suspended and cancelled under section 48 of the QBCC Act in 2021-2022

|  |  |  |
| --- | --- | --- |
| **Reason for suspension/cancellation** | **Suspension** | **Cancellation** |
| Breach of minimum financial requirements (other than ‘monies-owed’) | 60 | 24 |
| Failure to pay debts (‘monies-owed’) | 53 | 21 |
| Failure to comply with a financial audit | 36 | 14 |
| Breach of licence condition (including annual reporting requirements and company deregistration) | 3,238 | 1,717 |
| Licensee not fit and proper to hold a licence (including if the licensee’s interstate or New Zealand licence is cancelled or suspended) | 0 | 9 |
| Licensee was convicted of an indictable offence | 0 | 2 |
| Licensee owed an amount to the QBCC and failed to comply with a demand to discharge the debt | 8 | 5 |
| Licensee company ceases to have a nominee | 131 | 63 |
| Serious risk to health and safety | 1[[2]](#footnote-3) | 0 |
| **Total** | 3,527 | 1,855 |

The QBCC may immediately suspend a licence if it reasonably believes there is a real likelihood that serious financial loss or other serious harm will occur to other licensees, employees of other licensees, consumers, or suppliers of building materials or services. In 2021-2022, the QBCC immediately suspended four licences. In one case, the immediate suspensions arose out of concerns that if the licensee was allowed to continue to trade, they would pose a serious risk of harm to others in the industry as a result of a failure to carry out commercial and statutory obligations and therefore the licensee, or the licensee’s director, were not fit and proper to hold a licence. In the remaining three cases, the licensees were immediately suspended because there was a real likelihood that serious financial loss would have occurred if this regulatory action was not taken.

### Licensing actions to ensure safe systems of work

In the event a building or other work on a building site under a licensee’s control caused death, grievous bodily harm or a serious risk to health or safety, the QBCC Act allows for the cancellation, suspension, or conditioning of a licence.

Licensees are required under the law to report safety matters to the QBCC. Further, there is an information-sharing arrangement whereby the QBCC is advised by Workplace Health and Safety (WHS) when they become aware of incidents. This collaborative relationship ensures a structured and appropriately focused regulatory approach to mitigating safety risks in the sector. Although immediate suspension may be taken against licensees where there is current or future risk of harm to others, that ability had been confined to specific categories of people. On 10 June 2022, following consultation between the QBCC and DEPW, the protective scope was expanded in legislation to include risk to any person.

In 2021-2022, the QBCC investigated 265 safety-related incidents involving licensees, seeking and receiving information about incidents from licensees, WHS and other parties when necessary. Generally, licensees demonstrated appropriate safety systems and behaviours. However, on 18 occasions in this period the QBCC issued show cause notices to licensees as to why their licence should not be suspended or cancelled, providing an opportunity for licensees to formally respond. After due consideration was provided to responses received, as required by the legislation, one licensee was suspended by the QBCC. When a subsequent notice was made to cancel that same licensee, the licence was surrendered. Remedial training was imposed as a condition on two other licensees and a condition with a reprimand was imposed on another. The remaining 14 licensees complied with and satisfied the requirements within the QBCC notices issued, showing to have adequate safety systems in place.

Non-conforming building products

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

For the period 1 July 2021 to 30 June 2022, the QBCC received 193 enquiries and complaints in relation to NCBP. This includes community and industry-generated intelligence, as well as proactive audits instigated by the QBCC. We finalised 200 enquiries and complaints, with 44 ongoing. The number received and finalised is not equal as enquiries and complaints can be carried over from previous financial years.

Of the 200 enquiries and complaints that were finalised:

* 61 were public/industry-generated complaints into product families
* 121 were public/industry-generated complaints into specific sites
* 18 were cases based on general public and industry intelligence obtained by the QBCC.

The outcomes of the 200 enquiries and complaints finalised were:

* 11 determinations of NCBP, resulting in appropriate regulatory action or voluntary remedial action
* six resolutions through specific targeted education of persons in the chain of responsibility
* nine findings of conforming products, resolved through general education
* 57 resolutions through general education without requiring a finding of non-conformance
* 24 escalations for detailed technical investigation
* 43 resolutions through retaining information as general intelligence
* 42 re-directions of affected parties to other areas of the QBCC
* four were not related to non-conforming building products
* four matters were closed in the previous financial year but were not declared as NCBP until this financial year.

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

### Safer Buildings program

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

The combustible cladding checklist is an online system that is divided into three parts with buildings exiting at each part of the process. The QBCC received registrations relating to 19,940 buildings and, as at 30 June 2022, 13,978 buildings had been cleared at part 1, 3,065 buildings had been cleared at part 2, and 913 buildings had been cleared at part 3. The remaining buildings (less than 2000) have either been given measures outlined by fire safety engineers to mitigate the risk or are currently being investigated by the QBCC for non-compliance and possible referral for commencement of prosecution. These measures are undertaken to ensure the safety of occupants in buildings that may have a combustible cladding fire risk.

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

The part 3 compliance deadline of 3 May 2021 has now passed, including 120 registrations previously granted extensions of time, that have now expired. The QBCC has commenced 35 prosecutions against building owners, who did not complete the Safer Building checklist program, or where a combustible fire risk may be present, due to incorrect or incomplete document lodgement.

One hundred and twenty-eight private buildings have undergone cladding replacement or rectification by building owners due to the information they received from industry professionals or fire engineers during the Safer Building Checklist program.

### Compliance and enforcement activities

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

During 2021-2022, the five offences listed below made up 80 per cent of all investigations:

* unlicensed contracting: 23 per cent
* Schedule 1B (domestic building contracts) offences: 26 per cent
* advertising: 13 per cent
* Security of Payment (BIF Act): seven per cent
* insurance offences: 11 per cent.

Table 13: Number of investigations opened and closed

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **2021-2022** |
| Unlicensed contracting | 585 | 565 | 651 |
| Schedule 1B (domestic contracts) | 542 | 563 | 719 |
| Insurance | 268 | 386 | 312 |
| Security of payment[[3]](#footnote-4) | 149 | 281 | 185 |
| Advertising | 90 | 243 | 354 |

In 2021-2022, the QBCC continued to focus its investigations on unlicensed contracting, advertising and contract offences as well as safety matters. This was achieved through a considered approach which combined education and engagement activities to both licensees and property owners (where appropriate) and more robust enforcement actions where necessary. This can be seen in the above table, which shows an increase of 15 per cent in investigations for unlicensed contracting, and an increase of 28 per cent in investigations for domestic contract offences.

### Contractual investigations

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

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

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

Table 14: Contractual investigations

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2019-2020** | | **2020-2021** | | **2021-2022** | |
|  | **Domestic contract** | **QBCC Act Part 4A** | **Domestic contract** | **QBCC Act Part 4A** | **Domestic contract** | **QBCC Act Part 4A** |
| Investigations | 473 | 19 | 542 | 71 | 802 | 52 |
| Warnings issued | 128 | 8 | 156 | 25 | 285 | 22 |
| Contractors issued with an infringement notice | 206 | 3 | 218 | 25 | 263 | 8 |
| Infringement notices issued | 211 | 3 | 219 | 25 | 269 | 8 |

The QBCC uses a range of regulatory tools and approaches, from education to warnings and infringement notices, to encourage contractors to comply with legislative requirements, whilst protecting the rights of home owners.

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

The table below shows the demerit points issued to contractors in 2021-2022.

Table 15: Demerit points issued to contractors

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **2021-2022** |
| Demerit points issued for unsatisfied judgment debts | 70 | 40 | 110 |
| Demerit points issued for contractual offences | 1,584 | 1,720 | 1,866 |
| Demerit points issued for failure to rectify | 1,862 | 2,556 | 2,768 |
| Demerit points issued for failing to pay insurance premium | 386 | 258 | 332 |
| Demerit points issued for carrying out work without a nominee | 8 | 0 | 0 |
| Demerit points – other | 156 | 122 | 68 |
| **Total demerit points issued** | **4,066** | **4,696** | **5,144** |
| **Contractors issued with demerit points** | **515** | **594** | **672** |

The issuance of demerit points has increased at a steady rate over the past three financial years. The most significant area of growth is seen in the issuance of demerit points for unsatisfied judgement debts which has increased by 175 per cent in the current financial year. This is a direct outcome of the QBCC’s goal to ensure all licensees are paid on time.

Certifier compliance

At the start of the reporting period, the QBCC had 37 open certifier complaints. An additional 222[[4]](#footnote-5) complaints were received during 2021-2022. During the reporting period, we finalised 217 complaints. As at 30 June 2022, 42 remain open.

At the start of the reporting period, the QBCC had nine technical audits and 68 assessment audits open. During the reporting period, we commenced one technical audit and six assessment audits. We finalised four technical audits and four assessment audits over the 12 months. As at 30 June 2022, there were six technical audits and 70 assessment audits still underway.

Of the 225 completed investigations, including complaints, technical and assessment audits undertaken in 2021-2022, 19 findings of unsatisfactory certifier conduct were found. No certifiers were found to have engaged in professional misconduct, 181 complaints were dismissed, withdrawn or closed due to insufficient evidence, and in 18 cases, the certifier’s conduct was found to be satisfactory. Seven cases were duplicates.

**Chart, line chart

Description automatically generated**

In October 2020, demerit point allocation and disqualification procedures were introduced for certifier licences. These new provisions are activated when convictions are recorded for particular offences (demerit offences). As at 30 June 2022, no demerit points were allocated, and no persons were disqualified from holding a certifier licence in the reporting year.

Proactive building inspections

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

In 2021-2022, 1,375 site visits or inspections were undertaken with 35 improvement notices issued.

Audits of multi-residential buildings (both townhouses and high-rise constructions) and single-detached dwellings uncovered a variety of concerns such as:

* non-compliant fire door sets
* non-compliant fixing of plaster ceiling
* non-compliant waterproofing to external door openings
* non-compliant exterior floor sheeting
* numerous non-compliance issues relating to passive fire installations
* non-compliant incorrect installation of fire-separating walls
* inadequate disability access, particularly at lobby doorways and/or ramps
* non-compliance with timber framing code
* non-compliance with flashings to wall openings.

Plumbing complaints, investigations and compliance actions

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

In 2021-2022, 115 investigations were closed, including outstanding investigations carried over from 2020-2021. The table below compares enforcement actions across the past three years.

Table 16: Plumbing compliance actions

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **2021-2022** |
| Disciplinary orders issued to licensees | 12 orders amounting to $10,770 | 1 order amounting to $0[[5]](#footnote-6) | 1 order amounting to $8,679 |
| Penalty infringement notices | 25 penalty infringement notices amounting to $33,059 | 78 penalty infringement notices amounting to $125,368 | 91 penalty infringement notices amounting to $146,013 |

In 2021-2022, 16 individuals or entities were identified as breaching advertising provisions for plumbing or drainage work within the QBCC Act. A total of 24 individuals or entities were found to have had an appropriate licence but failed to display their licence number. Of these 24 individuals or entities, eight were issued an infringement notice, nine were issued warnings, and seven had no further action taken.

Generally, compliance action remained consistent in 2021-2022 compared to the previous year due to having a similar approach to plumbing enforcement by the QBCC. This included focusing on unlawful advertising and unlawful contracting – where Penalty Infringement Notices can be issued – as well as issuing infringement notices for notifiable work offences, a much quicker process than taking disciplinary action which has mandatory timeframes (at least 20 business days) and increases the time for an investigation to be finalised.

In addition to receiving and investigating complaints about plumbing and drainage work, the QBCC’s other functions included assessing information received as part of the approved audit program for notifiable work and responding to general enquiries about plumbing and drainage. Responding to enquiries is particularly important to promote industry engagement and to raise awareness of compliance matters.

To improve the standard of plumbing and drainage work undertaken by licensed plumbers and drainers and to increase compliance with the PD Act, the QBCC was also involved in preparing and publishing webinars and tutorials about plumbing and drainage work.

In 2021-2022, the QBCC initiated work on producing and distributing educational videos targeting hot water heater installations. The QBCC also delivered presentations at Registered Training Organisations informing apprentices about plumbing-related matters relevant to the QBCC, such as plumbing defects, notifiable work requirements, and licensing.

Throughout the year, the QBCC delivered a number of presentations to plumbing, drainage and fire protection practitioners at Service Trades Council forums and the Institute of Plumbing Inspectors Queensland and attended real estate businesses across Queensland to provide advice and information on issues such as the importance of using licensed tradespeople and notifiable work requirements.

### Notifiable Work – Form 4/4A

For some types of plumbing and drainage work, QBCC-licensed plumbers and drainers must register details about the work with the QBCC through a Form 4/4A – Notifiable Work. In 2021-2022, there were 106,952 Form 4/4As registered, a 0.35 per cent increase over the previous financial year. The QBCC conducts an audit program to ensure plumbers are adhering to their responsibilities and maintaining high standards in plumbing and drainage work. In 2021-2022, the QBCC opened 550 audits of contracting plumbers and drainers. As well as receiving education about their obligations, licensees found to have poor compliance were referred for further investigation and possible regulatory action.

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

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

Pool safety

Pool safety laws require swimming pools to be registered and barriers to comply with the pool safety standard. The QBCC maintains a register of regulated pools and pool safety inspectors (PSIs) who issue pool safety certificates. As at 30 June 2022, there were 422,629 pools on the pools register and 566 PSIs.

The QBCC approves CPD activities for PSIs and allocates CPD points for those activities. The QBCC also investigates complaints and takes disciplinary action against PSIs. In 2021-2022:

* 30 complaints were received regarding the conduct of PSIs
* 28 complaints against PSIs were finalised
* two complaints against PSIs were withdrawn
* one complaint was closed without further investigation when allegations could not be validated
* five complaints had no grounds for disciplinary action
* 20 investigations established grounds for disciplinary action
* one investigation found no further action was required
* 19 investigations lead to disciplinary actions taken, including licence suspension, monetary penalties, reprimands and requirements to refund inspection fees.

One complainant sought review by the QBCC’s Internal Review Unit (IRU) on a disciplinary action decision. There are no clear trends emerging in the types of disciplinary action taken against PSIs.

In 2021-2022, 62 investigations were opened into pool owners who were alleged not to have obtained pool safety certificates, or to have failed to give the QBCC notice of no certificate when required. The QBCC finalised four investigations of pool owners, and of those, two resulted in the issuing of an infringement notice and two resulted in no further action.

Pool owner compliance and enforcement

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

As at 30 June 2022, 40,638 pool safety certificates were issued in the reporting period which included 33,271 for non-shared pools and 7,367 for shared pools. The QBCC referred 32 properties to local governments in 2021-2022.

The QBCC published a series of educational videos for pool safety inspectors on its YouTube channel.

The QBCC also delivered a co-regulatory webinar to local government authorities.

Immersion incident reporting

The QBCC receives reports periodically of immersion incidents involving young children. These reports are provided by Queensland Health, following notification by health professionals including the Queensland Ambulance Service. In 2021-2022, the QBCC received 102 reports of immersion incidents. These reports are also provided to the relevant local government, which is required to inspect the site of the immersion. If the local government inspection raises any concerns about the pool fence at the site of the immersion, the local government takes the necessary enforcement action to ensure the pool complies. If the local government inspection suggests a breach by a PSI, the local government refers it to the QBCC for action which is then addressed with the relevant PSI.

In 2021-2022 there were no recorded referrals of this nature to the QBCC from local governments.

Education and engagement

Education and engagement is a regulatory requirement under our enabling legislation and fundamental to encouraging compliance, supporting safe practices and raising awareness of legislative changes. The QBCC provides education and engagement through a variety of mediums to home owners, licensees and other industry participants. In 2021-2022, key engagement activities included those outlined below.

Face to Face Events and Webinars – QBCC led

* one Statewide Tradie Tour, which included 10 face-to-face events, incorporating two sessions per event:
  + session one covered the technical topic of concreting and was run in conjunction with Cement Concrete and Aggregates Australia
  + session two addressed implementation issues in relation to Project Trust Accounts
  + a total of 341 individuals attended these face-to-face sessions
  + a subsequent webinar on the concreting topic attracted an audience of 300 people, while the webinar on Project Trust Account implementation garnered an audience of 80 attendees.
* one webinar entitled ‘Tradie Tour: A guide to building disputes prevention’ was developed and delivered in conjunction with the Adjudication Registry. 257 people attended the webinar.
* 19 webinars focused on the trust account framework under the BIFOLA reforms. Topics delivered included:
  + eligibility and overview of the framework, which was delivered six times and attracted 783 attendees
  + managing a trust, which was delivered five times and attracted 380 attendees
  + auditing a trust account, which was delivered once and attracted 66 attendees
  + small group trustee question-and-answer sessions attracted 37 attendees. These sessions allowed trustees to meet with trust account experts to discuss any issues or specific compliance questions.
* 24 webinar sessions of the compulsory retention trust training have been delivered since the start of 2022. This training is required as part of the trust account framework and BIFOLA reforms. A total of 339 trustees (and their employees), adjudicators, accountants and auditors attended.
* 11 information sessions were delivered, discussing the operation of new trust account framework requirements with various industry stakeholder groups.
* three home owner information webinars were delivered providing guidance on the building and renovation process.

Face to Face Events and Webinars – Industry Forums

* presentations were delivered at externally hosted industry and stakeholder engagements, addressing issues within the Queensland building and construction industry, including:
  + 10 in-person compulsory retention trust training sessions. These sessions attracted 89 attendees
  + eight information sessions to third and fourth-year apprentices at a variety of Registered Training Organisations throughout the State
  + one information session to construction management students at the Queensland University of Technology providing an overview of the QBCC and its functions
  + four presentations to the Institute of Plumbing Inspectors Queensland industry forums, with topics including compliance and audit activities, notifiable work lodgement forms and defective work
  + four National Association of Women in Construction (NAWIC) ‘Women on Tools’ events and four further NAWIC-organised events
  + one joint webinar with Timber Queensland and Master Builders Queensland discussing post-flood assessment and repair, and dealing with the aftermath of the February 2022 flood event
  + one pool safety information session for government and industry association stakeholders
  + one plumbing and drainage information session for local government stakeholders
  + two Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships presentations to provide an overview of the QBCC’s functions including licensing, the Queensland Home Warranty Scheme, compliance and dispute resolution
  + one Master Builders Queensland subcontractor’s forum presentation on Security of Payment, monies owed and the early dispute resolution process
  + one Construction Skills Queensland strategic presentation and discussion on trends in construction in the Townsville region.

Expos

The QBCC participated in:

* two Brisbane Home Show events which generated more than 653 enquiries
* the Sunshine Mitre 10 Trade Expo and Ipswich City Council/Queensland Police – Get Ready Community Safety and Crime Prevention Expo.

In addition, the QBCC launched a public education campaign in April 2022 with the aim of helping to protect home owners when they undertake building work, and increase awareness among licensees of their responsibilities, and how we can help them to get paid. With the building and construction industry busier than ever, the QBCC wants to help home owners avoid unlicensed tradespeople and minimise unlicensed building activity.

The QBCC also delivered a number of campaigns for licensees, home owners and stakeholders on the below topics:

* Accelerated Builder–Consumer Dispute Framework (ABCD) which is a temporary independent mediation service to help parties experiencing issues with domestic building contracts due to industry material or labour shortages
* a free and voluntary pilot project which offered professional industry training for licensees on Minimum Financial Requirements and Annual Financial Report and Safety Obligations as part of the Compulsory Continuing Professional Development (CCPD) program
* disaster preparedness, which sought to help licensees and home owners prepare for and recover from natural disasters affecting their building sites or properties
* pool safety, which was aimed at home owners to better understand swimming pool safety laws and what to know when building a pool or buying or leasing a property with a pool
* the southeast Queensland flooding event resulted in an establishment of the Recover and Rebuild Tradie Register, connecting property owners with local licensed contractors and providing tips and resources to aid the flood recovery effort.

Supporting the skills uplift of the building and construction industry

With the building and construction industry constantly changing, licensees and industry stakeholders need to keep up with the latest changes to legislation and standards. While some professionals, such as private certifiers, architects and engineers are required to do CPD. While it is good business practice, there is currently no formal framework for the wider building and construction industry, specifically for QBCC licensees. A sub-committee of the Ministerial Construction Council (MCC) with significant support from industry developed a draft CCPD Framework for consideration by DEPW.

To test elements of the draft framework, the QBCC delivered a pilot program which delivered free online professional development courses from May to November 2021. Topics covered included Minimum Financial Requirements and Annual Financial Reporting, and safety obligations. More than 160 participants from across Queensland and interstate took part in the courses, with initial training course registrations filling up within 22 minutes of release.

The QBCC has provided data and insights gathered from the pilot program to the DEPW, to assist with its consideration on whether CCPD is legislated in Queensland.

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| Table 17: Objective 2 performance measures | | | |
|  | **Target** | **Actual** | **Comments** |
| Percentage of claims fully compensated under the Queensland Home Warranty Scheme | 95% within policy limits | 99% |  |
| Perception of fairness in decision-making: percentage of survey respondents agree the final decision was fair**\*** | 65% | 67% | A recent review of datasets found that this measure has been incorrectly reported in the past as the average Customer Experience score from QBCC’s Customer Feedback surveys. For consistency with previous reporting and to allow for full year data consideration, the result using the Customer Experience score was 53 per cent. |
| Percentage of decisions set aside (within the financial year period) by the Queensland Civil and Administrative Tribunal\* | 7% | 5.8% | The variance between the actual result, and the estimated actual result as published in the Service Delivery Statements (SDS) 2022-23 (7 per cent), and the 2021-2022 target is due to the Queensland Civil and Administrative Tribunal (QCAT) being a merits review jurisdiction. QCAT can consider fresh evidence which may result in a decision being set aside. For example, expert reports may be obtained whilst a matter is before QCAT. It is therefore difficult to predict when, or if, such evidence may come to light. Accordingly, some variance is to be expected. Further, as 2021-2022 marked the first year in which this measure was tracked in this way, additional data will assist in informing future targets. |
| Cost of recovering $1.00 of funds owed to creditors\* | $0.70 | $0.52 | The variance between the actual result, and the estimated actual result as published in the SDS 2022-23 ($0.44), and the 2021-2022 target is due to there being no control over the number, value or type of monies owed complaints received by the QBCC. This in turn has an impact on the amount consequently returned to industry participants under monies owed investigations. |
| Percentage of early dispute resolution cases finalised within 28 days\* | 80% | 88% | The positive variance between the actual result, and the estimated actual result as published in the SDS 2022-23 (80 per cent), and the 2021-2022 target was due to experiencing the benefits of improved internal processes and efficiency initiatives. |
| Average number of days to process licence applications\* | 30 days | 18 days | For transparency, it should be noted that the QBCC has been using the median to calculate the performance of this measure. It is more reflective of the processing time taken, due to the effect that outlier applications can have on the mean. The mean number of days to process licence applications is 25 days. |
| Percentage of owner builder permits approved within 15 working days\* | 90% | 83% | Variance between actual result and the estimated actual result as published in the SDS 2022-23 (100 per cent) was due to a problem recently identified with the reporting system after the estimated actual figure was provided.  The variance between the 2021-2022 actual and target is due to some applications lacking the necessary information and the QBCC providing additional time for the applicant to make the necessary submissions. |
| Percentage of adjudication applications referred to an adjudicator within 4 business days\* | 100% | 100% |  |
| Percentage of insurance claims for defective work assessed and response provided within 35 business days\* | 50% | 57% | The positive variance between the actual result and the estimated actual result as published in the SDS 2022-23 (50 per cent), and the 2021-2022 target was due to experiencing the benefits of improved internal processes and efficiency initiatives. |
| Average processing time for an early dispute resolution case\* | 28 working days | 16 working days | The positive variance between the actual result and the estimated actual result as published in the SDS 2022-23 (21 working days), and the 2021-2022 target was due to experiencing the benefits of improved internal processes and efficiency initiatives. |
| Average approval time for defects claims less than $20,000\* | 35 working days | 35.7 working days | Variance between the actual result and the estimated actual result as published in the SDS 2022-23 (40 working days) is due to impacts beyond the control of the QBCC, such as claimants not providing timely information, the complexity of the claims, and the need to obtain advice from engineers and other consultants which affected response times |
| Percentage of internal review applicants contacted within 2 business days\* | 95% | 95% |  |
| **Strength of stakeholder engagement** | | | |
| Qualitative statement | See Education and Engagement section on page 29. | | |

\* This is a 2021-2022 Service Delivery Statement Service Standard.

Customer Service

During 2021-2022, the QBCC focused on customer and employee experience by improving our digital services, making it easier for our customers to access information and ensuring highly skilled staff were available to meet customer needs.

The below outlines key initiatives which enabled an improved customer experience:

* deployment of a refreshed website in April 2022 which has realised several important benefits for stakeholders, including improved navigation, simplified content, alignment with the Government’s commitment to public-facing services, and alignment of the QBCC’s goal to be an insights-driven regulator
* ongoing upskilling of staff to better support the resolution of customer enquiries across all service queues
* improvements to the myQBCC portal, including an improved customer interface and streamlined processes, enhancements to myQBCC insurance searches to enable quicker response times, and additional functionality to support the Project Trust Account framework
* on 1 July 2021, as part of the ABCD, a new independent third-party mediation service commenced to help resolve disputes caused by trade and building product shortages. From 1 July 2021 to 30 June 2022, the QBCC’s Contact Centre supported the ABCD by:
  + processing 80 applications received for mediation
  + answering 1,622 calls regarding industry shortages.

Table 18: Customer Contact Centre statistics

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **2021-22** |
| **Customer phone calls** | 250,245 | 238,479 | 256,933 |
| **Customer emails** | 15,217 | 20,683 | 10,761 |

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 2022.

Table 19: QBCC Act licensees by licence type as at 30 June 2022

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Individual** | **Company** | **Total** |
| Builder | 27,183 | 9,215 | **36,398** |
| Builder restricted | 2,036 | 719 | **2,755** |
| Contractor | 41,160 | 11,832 | **52,992** |
| Occupational | 2,979 | N/A | **2,979** |
| **Total** | **73,358** | **21,766** | **95,124** |

In 2021-2022, the QBCC processed 1,460 mutual recognition applications. Mutual recognition applications are received from Australian citizens in other states and territories and New Zealand citizens, and are processed under the *Trans-Tasman Mutual Recognition Act 1997*.

### Fire protection licensing framework

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

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

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

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

As at 30 June 2022, the QBCC licensed 4,469 companies and individuals to undertake regulated fire protection work. Each licensee may hold one or more licence classes across each of the fire protection streams.

Table 20: QBCC Act Fire Protection classes by licence type as at 30 June 2022

| **Licence stream** | **Licence type** | **Licence classes** |
| --- | --- | --- |
| Portables | Contractor/nominee supervisor | 1,103 |
| Occupational | 1,619 |
| Passive | Contractor/nominee  supervisor | 1,476 |
| Occupational | 1,240 |
| Special hazard | Contractor/nominee  supervisor | 462 |
| Occupational | 315 |
| Water-based | Contractor/nominee  supervisor | 1,993 |
| Occupational | 577 |
| Electrical | Contractor/nominee  supervisor | 1,963 |
| Occupational | 3,232 |
| Fire Safety Professional | Contractor/nominee  supervisor | 84 |
| Occupational | 16 |
| **Licence classes issued** | | **14,080** |

### Owner builder permits

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

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

As at 30 June 2022, there were 2,988 owner builder permits granted by the QBCC.

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

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

Plumber and drainer licensing

The QBCC administers Queensland’s licensing system for plumbers and drainers under the PD Act. As at 30 June 2022, the QBCC had 16,278 licensees holding one or more licence types as shown in the table below.

**Table 21: PD Act licences by licence type as at 30 June 2022**

|  |  |
| --- | --- |
| **Occupational licence type** | **Classes of licence** |
| Provisional plumber | 947 |
| Provisional drainer | 943 |
| Plumber | 13,469 |
| Drainer | 13,617 |
| Restricted licences | 1,974 |
| **Total** | 30,950[[6]](#footnote-7) |

Mechanical services licensing

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

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

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

The below table shows the number of licensees under each stream as at 30 June 2022. Licensing of mechanical services contributes to the overall health and safety of the community. Licensing of practitioners provides comfort that operators hold an appropriate technical qualification, contractors are financially sound and that the QBCC can take action against individuals performing substandard work or using NCBP.

**Table 22: Mechanical services licensees by licence type as at 30 June 2022**

|  |  |
| --- | --- |
| **Licence type** | **Number of licensees** |
| Medical gas | 382 |
| Mechanical plumbing | 1,694 |
| Air-conditioning and refrigeration | 5,381 |

Queensland Home Warranty Scheme

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

During 2021-2022, the QBCC processed 150,171 insurance policies. The breakdown of residential construction work carried out during the period was approximately 80 per cent renovations compared to 20 per cent new home construction.

Table

Description automatically generated

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

the “Renovations” data.

New builds reached near record levels in 2020-2021 with 39,350 contracts notified to the QBCC. The HomeBuilder grant played a large part with 21,871 Queenslanders making grant applications.

New build numbers eased significantly in 2021-2022, dropping below the five and 10-year average, but remained significantly higher than pre-COVID levels.

Despite declines compared to 2020-2021, renovation activity remained strong throughout 2021-2022.

In 2021-2022, the QBCC received $142.7 million in insurance premiums compared to $140.9 million in 2020-2021. The premium revenue reflects the number and value of contracts which were notified to the QBCC in 2021-2022.

The premium payable for a contract for residential construction work increases as the value of the contract increases. Premiums received in 2021-2022 were higher than those received in 2020-2021 despite lower policy numbers due to the impact of home building cost inflation on contract values for new builds, and to a lesser extent renovations.

Chart, line chart

Description automatically generated

The QBCC approved a total of $36 million in insurance claim costs during 2021-2022. This included $16.9 million for defects claims, $13.4 million for non-completion claims and $5.7 million for subsidence claims.

Chart

Description automatically generated

The financial failure of licensed new-home builders is the primary driver of non-completion claims. While there were collapses in 2021-2022, the typical increase in claim approvals was not observed. Analysis of claims resulting from those collapses shows the majority of claims were for refund of deposit only, because work had not started on site. Such claims have considerably lower average claim approvals compared to non-completion claims where completion of the home is required. This change in claim development is likely due to the HomeBuilder grant and supply chain issues.

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 Queensland Home Warranty Scheme are unrecoverable due to builder insolvency, where possible, the QBCC will attempt to recover the money owed. We recovered $2.3 million in 2021-2022 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. (The Queensland Home Warranty Scheme is a statutory insurer and is not regulated by APRA, and therefore is not required to comply with APRA standards). This includes a prudential margin loading in relation to projected future claims to achieve the APRA requirement of a 75 per cent confidence level that the outstanding claims provisions will be adequate.

Building complaints and disputes

The QBCC may be able to help resolve building disputes between home owners and principal contractors. During 2021-2022, these types of building disputes totalled 6,500, of which 5,450 related to works after construction was completed and 1,050 which were during the construction process. This represented an increase of 19 per cent from 2020-2021 which totalled 5,449 building disputes.

Table

Description automatically generated with medium confidence

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

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

Early Dispute Resolution

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

During 2021-2022, the QBCC received 1,050 EDR cases, with 1,051 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 2021-2022 represents a 60 per cent increase compared to 2020-2021, when 657 cases were received.

Internal review

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

During 2021-2022, we opened 834 internal review cases and closed 845 internal review cases. We also processed cases from previous financial years.

As a result of the internal reviews completed during 2021-2022:

* 438 (52 per cent) original decisions were upheld
* 132 (16 per cent) original decisions were overturned
* 62 (7 per cent) original decisions were varied
* 213 (25 per cent) matters were discontinued.

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

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

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

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

The QBCC discontinued 213 matters because:

* 96 matters were outside of 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 eight of the original decisions purportedly under review, the decision had not yet been made
* applications concerning 40 decisions were withdrawn by the applicant
* five applications were closed with no further action taken, because of mistakenly referred correspondence taken to be an application
* 64 applications were outside the legislated timeframe and not accepted.

As at 30 June 2022, 59 cases remained open. On average, it took 25.9 days to process an internal review case in the reporting period.

Customer Feedback

We encourage our customers to provide feedback so that we can continuously improve our business. For the 2021-2022 reporting period, the following suggestions, compliments, and complaints were received by the QBCC:

Table 23: Customer feedback statistics compared to the previous year

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020-2021** | **2021-2022** | **Percentage change from the previous year** |
| **Suggestions** | 625 | 471 | 25% decrease |
| **Compliments** | 130 | 94 | 28% decrease |
| **Service complaints** | 932 | 1,175 | 26% increase |

Customer service complaints were assessed and investigated in accordance with the QBCC Customer Feedback Policy available on the QBCC website. The increase in customer service complaints may be attributable to ongoing efforts to uplift organisational understanding of the customer service complaints management process. The QBCC is committed to providing customer-focused, prompt, efficient and effective management of all feedback.

### Our Code of Conduct

The Queensland Government Code of Conduct is applicable to all QBCC employees. Being an employee of the QBCC involves a significant level of trust to perform required duties to a high standard, both with respect to public administration and conduct. To ensure our employees are aware of their ethical obligations under the *Public Sector Ethics Act 1994* and the Code of Conduct, the QBCC has established and delivers online training modules including:

* Code of Conduct obligations
* fraud and corruption awareness
* public interest disclosures
* conflict of interest, secondary employment and gifts and benefits policies
* information privacy and management of public records
* workplace bullying and harassment education
* workplace health and safety inductions, including employee wellbeing
* customer feedback policy, customer engagement policy and social media policy.

Training is provided to new employees as part of their induction, and employees are additionally required to undertake mandatory refresher training. Policies and procedures are similarly established and reviewed, giving due consideration to the Code of Conduct and the associated framework governing ethical conduct.

The Integrity and Complaints Branch deals with corrupt conduct matters, including fraud and corruption, and provides expert and high-level advice and assessment of conflicts of interest, public interest disclosures, complaints management and other integrity-related matters. Setting, implementing, and monitoring integrity standards and managing our non-conformance demonstrates our commitment to integrity and ethical conduct.

QBCC staff are regularly updated on integrity-related matters.

Embedding human rights

The QBCC is committed to compliance with, and furthering the objects of, the *Human Rights Act 2019*.

In 2020, the QBCC implemented a process to embed the *Human Rights Act 2019* into our business to ensure we act and make decisions that are compatible with human rights.

The QBCC records human rights complaints within its framework for managing complaints. We received no human rights complaints during the 2021–2022 period.

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

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

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

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

|  |  |  |  |
| --- | --- | --- | --- |
| Table 24: Objective 3 performance measures | | | |
|  | **Target** | **Actual** | **Comments** |
| Agency engagement score from the Working for Queensland survey | 85% | 79% | The 2021 staff engagement results saw a slight decrease, with 79 per cent of our staff reporting a positive or neutral rating compared to the 2020 result which was 86 per cent. |
| Agency participation rate in the Working for Queensland survey | Over 90% | 85% | Our 2021 staff participation rate was 85 per cent compared to 97 per cent completion in 2020. This is in comparison to the Queensland Government participation rate of 43 per cent for 2021. |
| Percentage of staff turnover | Up to 15% | 14.7% | The turnover rate remains under the benchmark of 15 per cent. In 2021-2022, employees left the QBCC for many reasons, such as the conclusion of fixed-term contracts, career opportunities and retirement. |
| Overall QBCC gender parity | 50%/50% | 44% (M) / 56% (F) | The QBCC continues to promote and support gender balance across the organisation. |
| Gender parity – Senior Leadership Team and Directors | 50%/50% | 46 % (M) / 54% (F) | The QBCC continues to promote and support gender balance across the organisation. |
| Gender pay gap | 10% | 7.5% | 55 per cent of roles in middle management (AO6 and above) are occupied by men. |
| Lost time injury frequency rate | Less than 2% | 1% |  |
| Average days lost due to absenteeism | 10 days or less | 13.1 | During 2021-2022 there have been many challenges which may have affected attendance, including the COVID-19 pandemic, influenza in the community and the flood events in February 2022. |

Workforce profile

Table 25 shows the number of full-time equivalent (FTE) staff as at 30 June 2022, with Table 26 showing in greater detail data on the representation of women, women in leadership roles, Aboriginal Peoples and Torres Strait Islander Peoples, people with disability and people with culturally and linguistically diverse backgrounds.

Table 25: Workplace profile data

|  |  |
| --- | --- |
|  | **2021-22** |
| Total FTE for the QBCC | 511 |

Table 26: Target group data

|  |  |  |
| --- | --- | --- |
| **Gender** | **Number**  **(Headcount)** | **Percentage of total workforce**  (Calculated on headcount) |
| Man | 230 | 44% |
| Woman | 297 | 56% |
| Non-binary | 0 | 0 |
| **Diversity Groups** | **Number**  **(Headcount)** | **Percentage of total workforce**  (Calculated on headcount) |
| Women | 297 | 56% |
| Aboriginal Peoples and Torres Strait Islander Peoples | 10 | 1.9% |
| People with disability | 22 | 4.2% |
| Culturally and Linguistically Diverse – Born overseas | 115 | 21.8% |
| Culturally and Linguistically Diverse – Speak a language at home other than English (including Aboriginal and Torres Strait Islander languages or Australian South Sea Islander languages) | 66 | 12.5% |
|  | **Number**  **(Headcount)** | **Percentage of total Leadership Cohort**  (Calculated on headcount) |
| Women in leadership roles7 | 14 | 50% |

7 Women in Leadership Roles are considered those positions that are Senior Officer and equivalent and above.

Attracting and retaining our workforce

In 2021-2022, the QBCC continued its commitment to attract and retain a skilled and capable workforce. Our flexible work arrangements encourage employees and managers to have ongoing conversations that promote a culture of trust, open communication, cooperation and negotiation.

In addition, our investment in learning and professional development for our people is recognised as an important engagement factor, as indicated by 68 per cent of our staff in the Working for Queensland 2021 survey.

The QBCC also celebrates its people by acknowledging exceptional performance and those who lead by example through the annual awards ceremony.

Keeping our staff safe and healthy

Health, safety, and wellbeing are important elements of our operations at the QBCC. In 2021-2022, we delivered:

* wellbeing initiatives such as online modules, webinars, and access to resources encouraging employees to focus on their health
* a response to the COVID-19 pandemic that enabled 90 per cent of our workforce to work from home safely and continued flexible arrangements
* Health and Safety representatives to continue to support and fully represent work groups
* annual Safety Management Plan activities
* toolbox talks that continued to be used to start meetings
* health and safety hazard inspections across all office locations in addition to these initiatives
* we also continued to ensure first aid officers were appointed and trained, employees’ return-to-work (post injury) plans were in place, flu vaccinations were made available and ongoing access to the employee assistance program were maintained.

Keeping our staff engaged

In September 2021 the QBCC participated in the 2021 Working for Queensland survey which is used across Queensland public service agencies to measure employee perceptions of the workplace climate. Our 2021 staff participation rate was 85 per cent, compared to 97 per cent in 2020. The survey yielded valuable information on what could be improved and resulted in action plans across the organisation to continue to enhance our employees’ 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 discussed regularly with managers and team members. Formal checkpoints are scheduled half-yearly when individual performance is recorded in Performance Development Plans. The QBCC’s half-way checkpoint was in February 2022 and had an 89 per cent completion rate.

The QBCC is committed to encouraging lifelong learning. This is demonstrated through our Study and Research Assistance Scheme (SARAS). It provides support for our people who are seeking to gain qualifications to support their work and careers. During the year, 14 employees applied and were approved for SARAS funding.

The QBCC has an Emerging Leaders Program that seeks to help individuals develop competencies required of a senior leader, and to enhance succession planning for future leaders. Six staff members were accepted for the Emerging Leaders Program in 2022-2023. The success of the 2021-2022 program has been confirmed with three of the program graduates having secured higher-level positions, an achievement they have attributed to the learning they undertook as part of the Emerging Leaders’ program. The QBCC continues to review and refine this program to ensure it remains contemporary and relevant in the changing work environment.

In 2021-2022, the QBCC’s Learning and Development team developed, organised, and delivered 165 courses (workshops and webinars). These achieved an 87 per cent attendance rate and staff satisfaction for the 2021-2022 year was 94 per cent across the 165 courses delivered.

Diversity and inclusion

The QBCC is committed to promoting an inclusive work culture and environment for our staff and the people we encounter on a daily basis.

We celebrated a number of events including:

* NAIDOC Week, National Reconciliation Week, National Sorry Day, National Apology Day, National Close the Gap Day and Mabo Day by reflecting on, acknowledging and celebrating the history, culture and achievements of Aboriginal and Torres Strait Islander peoples
* International Day Against Homophobia, Transphobia and Biphobia and Intersex Awareness Day.

Throughout this past financial year, the QBCC continued to champion initiatives supporting diversity and inclusion across our business.

As we move to 2023, the QBCC will focus on reinvigorating and re-establishing our REDI (Respect, Equity, Diversity and Inclusion) Squad to continually improve our processes for engaging with employees and seek external advice to better understand the challenges and opportunities that different diversity cohorts experience across the organisation.

The QBCC has successfully delivered Reflect Reconciliation Action Plan (RAP) and has now moved into the drafting phase of our next RAP – Innovate.

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

Early retirement, redundancy and retrenchment

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

Industrial and employee relations

The QBCC is committed to growing a positive relationship with the Together Union. Agency Consultative Committee meetings are held every six weeks and are attended by Together Union and the QBCC’s management representatives.

We work collaboratively with the Union to ensure an effective public sector, delivering quality services to Queenslanders. We also ensured Human Resources policies reflected current industrial instruments and consistency with the *Industrial Relations Act 2016*.

## Objective 4: Be efficient and financially sustainable

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Table 27: Objective 4 performance measures | | | | | |
|  | **Target** | | **Actual** | **Comments** | |
| Financial management – Achieve budget +/- 5% | See Financial Performance section in the Annual Report on page 58. | | | | |
| Divisions to identify annual budget efficiency savings of 5% | See Financial Performance section in the Annual Report on page 58. | | | | |
| IT services – post release satisfaction | 80% | 93.3% | | | Improvements in release and governance processes are improving the overall quality of delivery outcomes as reflected in the performance of the measure. |
| IT services – Help desk satisfaction | 85% | 97.8% | | | Improvements in service desk response processes are improving overall first level response timeframes and resolution. |

Insights-Driven Regulator

In 2021-2022, the QBCC undertook a review of the systems and tools delivered in the original proof of concepts for insights and analytics data architecture and early warning dashboards. Given advancements in technology since original development, the QBCC will now focus on contemporising its data and analytics environment. This will build on the existing work and incorporate learnings from internal and external sources.

The revised focus for this work will uplift data-led decision-making across the QBCC and generate dashboards and insights for a robust decision-making organisation with data and analytics at its core.

Future Blueprint

In 2021-2022, the QBCC developed a program of work to enable a future-focused, innovative, and resilient organisation that builds trust and confidence in the building and construction industry. This program sets out strategic investments to modernise and consolidate our current technology and streamline processes to adapt to the changing needs of our customers and the building and construction industry. Identified enhancements in technology and re-engineering of business processes underpin future strategic reform to provide effective and efficient regulatory and customer services, and deliver legislative, and core regulatory functions.

Risk and issue management

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

Over the past 12 months, the QBCC continued to refine its approach to risk management across the organisation, adopting practices aligned with Australian standards (ISO 3100:2018 Risk management – Guidelines) and Queensland government guidelines (Treasury’s Guide to Risk Management).

The QBCC has implemented a number of changes in response to the recommendations of the Risk Maturity Internal Audit Report (the risk maturity recommendations) including developing a revised Risk Appetite Statement, risk categories and risk assessment tools, and updating strategic risks. These products have been incorporated into a revised Risk Management Framework and Risk Policy for the organisation which will support the QBCC to continue to deliver against the risk maturity recommendations, further develop risk capability, and embed a risk-based decision-making culture across the organisation.

During 2021-2022 the QBCC reviewed and updated a suite of policies to support the identification, prevention, and management of fraud and corruption. This is intended to further strengthen the QBCC’s fraud and corruption prevention framework and ensure it aligns with best practice and the requirements of integrity bodies such as the Crime and Corruption Commission (CCC), the Queensland Ombudsman and the Queensland Audit Office (QAO). The online reporting tool, *iDeclare*, launched by the Integrity and Complaints Branch on 1 July 2020, continued to provide significant successes and take-up with employees making the necessary declarations of Conflict of Interest, Secondary Employment, Gifts and Benefits and Public Interest Disclosures.

During 2021-2022, the Integrity and Complaints Branch continued to implement its three-year integrity operational strategy to further develop the capability of QBCC staff and the QBCC as a whole. This involved presenting a robust Integrity Roadshow to all regional service points and business units within the QBCC, supported by awareness campaigns across a variety of integrity focus areas. The topics presented during 2021-2022 included the appropriate use and disclosure of confidential information, conflicts of interest, and customer engagement management to enhance client service provision.

The Integrity and Complaints Branch further strengthened its preventative approach during 2021-2022 by undertaking contemporary portfolio wide, all-staff communication and promotional activities to address emerging trends. These initiatives are commensurate with conduct and integrity matters referred to the QBCC by the CCC to deal with as necessary, and to address any identified systemic failures and enhancements as required.

Internal and external audits

Over the 2021-2022 reporting period, the QBCC’s internal auditors, O’Connor Marsden & Associates, undertook internal audits in the areas of Services Management, Key Financial Reporting and Cash Receipt/ Payment Controls Design, and Regional Operations.

The QAO is the QBCC’s external auditor under the terms of the *Financial Accountability Act 2009*.

Prudent investment management

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

The QBCC’s Investment Policy was reviewed and approved in November 2021 and had minor updates in June 2022. As a minimum, the policy is reviewed annually. Our investment powers are governed by the *Statutory Bodies Financial Arrangements Act 1982*.

Right to Information and Information Privacy

The QBCC is committed to compliance with the objects of the *Right to Information Act 2009* (RTI Act) and the *Information Privacy Act 2009* (IP Act).

In 2021-2022, we finalised 207 applications under the RTI and IP Acts with 167,636 pages and 209 audio recordings assessed. Of the documents assessed, 131,868 pages were released in full and 8,467 were partially released. There were 170 audio recordings released in full and 11 partially released to QBCC applicants. There were no IP Amendment applications received in 2021-2022.

The QBCC Administrative Access Policy (AA) supports the proactive disclosure of information. This allows us to give access to certain types of information as a matter of course that is not considered contrary to the public interest, without the need for a formal application. We finalised 149 AA requests in 2021-2022, releasing 5,565 pages and two audio recordings 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. Seven privacy complaints were received by the QBCC 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.

An overseas travel expenditure for the 2021-2022 reporting period was not required due to overseas travel not being undertaken by any officers of the QBCC.

Records management

The QBCC captured approximately 3.2 million records, a 23 per cent increase in records capture compared to the previous reporting cycle. Seventy per cent of these records were generated through automation.

During 2021-2022, the QBCC saw its reviewed retention and disposal schedule progress to the Queensland State Archives for review and consultation with a view to have it finalised and implemented into the recognised record-keeping system, Content Manager, for automatic sentencing inside the next reporting cycle.

The QBCC also rolled out a mandatory online records management training module which touched on points relating to the misuse of confidential information, based on advice from the CCC, when to capture, email records, information security classification, and relationships with other acts regarding disposal.

# Corporate Governance

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

Role and responsibilities of the QBC Board

As at 30 June 2022, there were 10 independent, non-executive members on the QBC Board. QBC Board members are appointed by the Governor in Council under the QBCCAct for a three-year term.

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

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

QBC Board meetings

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

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

### Committee meetings

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

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

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

Table 28: QBC Board member attendance and remuneration 2021-2022

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Queensland Building and Construction Board** | | | | | |
| Act or instrument | *Queensland Building and Construction Commission Act 1991* | | | | |
| Functions | Governing body of the Queensland Building and Construction Commission | | | | |
| Achievements | * Endorsed and supported internal redesign efforts to achieve meaningful improvements in service delivery and culture, including the functional realignment of the QBCC * Provided oversight of the performance and operations of the QBCC. | | | | |
| Financial reporting | Transactions of the entity are accounted for in the financial statements. | | | | |
| **Remuneration** | | | | | |
| Position | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee8 | Approved sub-committee fees if applicable | Actual fees received9 |
| Chair | R. L. Williams | 31 | $50,000 | N/A | $55,000 |
| Deputy Chair | Michelle James | 21 | $25,000 | N/A | $28,000 |
| Member | Lesley Anderson | 17 | $25,000 | N/A | $28,000 |
| Member | Andrew Hickman | 13 | $25,000 | N/A | $28,000 |
| Member | Jade Ingham | 12 | $25,000 | N/A | $28,000 |
| Member | Brett Schimming | 22 | $0 | N/A | $26,00010 |
| Member | Robert Schwarten | 14 | $25,000 | N/A | $28,000 |
| Member | Debra Johnson | 19 | $25,000 | N/A | $28,000 |
| Member | Cath Brokenborough | 20 | $25,000 | N/A | $28,000 |
| Member | Meg Frisby | 16 | $25,000 | N/A | $28,000 |
| No. scheduled meetings/sessions | R. L. Williams – 33  Michelle James – 24  Lesley Anderson – 21  Andrew Hickman – 16  Jade Ingham – 16  Brett Schimming – 25  Robert Schwarten – 16  Debra Johnson – 20  Cath Brokenborough – 24  Meg Frisby – 16 | | | | |
| Total out of pocket expenses | $19,482. Other operational costs totalled $317,73611. | | | | |

8 Approved fees do not include superannuation amounts.

9 Actual fees include superannuation amounts.

10 Under review

11 In 2021-2022, the QBC Board used consultants for advice on multiple matters.

Finance and Audit Committee

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

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

The Committee’s core duties are to:

* provide independent advice to the QBC Board on the adequacy, timeliness and reliability of the QBCC’s operations and systems, including audit planning processes, corporate governance, internal audit, compliance with legislation and statutory obligations, and ethical conduct and probity
* consider matters related to the QBCC’s financial affairs.

In 2021-2022, the Committee met four# times and conducted the following activities:

* reviewed and monitored the QBCC’s internal and external audit activities
* reviewed and monitored the monthly financial results and variations from budget for the 2021-2022 financial year
* ensured the financial report is completed within legislated timeframes
* reviewed and monitored the preparation of the 2022-2023 annual budget.

Risk Committee

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

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

The Committee’s core responsibilities are to:

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

Regulatory and Resolution Committee

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

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

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

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

People and Culture Committee

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

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

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

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

Insurance Committee

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

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

The Committee’s duties and responsibilities include:

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

Stakeholder Advisory Committee

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

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

The Committee fulfils the following functions:

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

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

**Notes for this section on Committees:**

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

**Service Trades Council**

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

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

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

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

In 2021-2022, in accordance with its functions under the PD Act, the Council:

* delivered an industry forum in Bundaberg
* endorsed recommendations from the Council’s On-site Sewage Treatment Panel
* made recommendations to the QBCC Commissioner to amend the technical qualifications document for plumber and drainer licences and to undertake industry engagement in relation to compliance matters
* reported to the Minister about issues with licensing requirements for soil assessment, removal of the restricted water plumber – water and sanitary licence and the On-site Sewage Treatment Panel’s recommendations
* reviewed a decision of the QBCC to take disciplinary action against a licensee
* completed a recruitment process for the new term of the Council’s Service Trades Licensing Advisory Panel.

Table 29: Service Trades Council member attendance and remuneration 2021-2022

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service Trades Council** | | | | | |
| Act or instrument | *Plumbing and Drainage Act 2018* | | | | |
| Functions | Advisory body | | | | |
| Achievements | * Acting as the internal review mechanism for licensees who have received disciplinary action under the *Plumbing and Drainage Act 2018* * Reporting to the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, and making recommendations to the Commissioner of the QBCC about matters relevant to the plumbing and drainage trade. | | | | |
| Financial reporting | Transactions of the entity are accounted for in the Financial Statements. | | | | |
| **Remuneration** | | | | | |
| Position12 | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received13 |
| Chair | Penny Cornah | 7 | N/A | N/A | $0 |
| Deputy Chair | Janet Cumming | 7 | N/A | N/A | $0 |
| Member | Glen Chatterton14 | 2 | $300 | N/A | $1,650 |
| Member | Michelle Kennedy | 6 | N/A | N/A | $0 |
| Member | Greg Moore | 4 | N/A | N/A | $0 |
| Member | Anne Neuendorf | 5 | N/A | N/A | $0 |
| Member | Gary O’Halloran | 2 | N/A | N/A | $0 |
| Member | Adrian Shackleton14 | 4 | $300 | N/A | $1,980 |
| Member | Sharon Simmers | 6 | N/A | N/A | $0 |
| Member | Geoff Woodall | 6 | N/A | N/A | $0 |
| Member | Assistant Commissioner, Service Trades and Regulatory, QBCC | 7 | N/A | N/A | $0 |
| No. scheduled meetings/sessions | 7 | | | | |
| Total out of pocket expenses | $0. Other operational costs totalled $8,518. | | | | |

12 A Deputy Member may be appointed to act for a Member in the Member’s absence (PD Act 2018, section 110)

13 Actual fees include superannuation amounts.

14 Member resigned in November 2021

### Executive Team

The QBCC’s Executive Team is led by the Commissioner and is responsible for implementing the QBCC’s strategy and day-to-day operations. The team met regularly in 2021-2022 to discuss and approve a range of strategic and operational matters with the purpose of achieving the objectives set out in our strategic and operational plans.

### Corrupt conduct and public interest disclosures

The QBCC maintains a policy that establishes procedures for the effective reporting of corrupt conduct and the effective administration of public interest disclosures. Of the 95 conduct cases received, suspected corrupt conduct was identified in 16 cases and nine have been subsequently closed. These 16 cases were referred to the CCC for their independent assessment.There were 19 cases that involved an employee making a public interest disclosure.

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

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

### External scrutiny

In 2020, the QAO issued a performance audit report assessing whether the QBCC effectively regulates the building and construction industry by issuing and managing licences in a fair and balanced way (Report 16: Licensing builders and building trades). The report contained 11 recommendations ‘to help the QBCC become a stronger and more effective regulator’. At the request of the QAO, in June 2022, the QBCC undertook a self-assessment on progress in implementing the recommendations from the Report using the QAO online self-assessment system. The QBCC reported the following:

* six recommendations fully implemented
* four recommendations partially implemented
* one recommendation is no longer applicable.

Ongoing programs of work are planned to continue implementation of the outstanding recommendations.

In November 2021, the Queensland Government commissioned an independent review into the governance arrangements of the QBCC to ensure it is contemporary and fit for purpose. The QBCC Governance Review 2022, containing 17 recommendations and 77 corresponding actions for implementation, was received by the Government in May 2022 from Mr Jim Varghese AM. The Government publicly released the review through the DEPW, including the Government’s response and 90-day implementation plan, on 29 June 2022.

Financial Performance

The following pages provide details around the QBCC’s financial performance in 2021-2022.

## Summary of financial performance

The QBCC returned a loss of $36.57 million in 2021-2022 and has a strong net asset position of $158.23 million.

Total income was $317.55 million, 4.69 per cent higher than 2020-2021. The QBCC continued to see increased activity in the housing sector, albeit not as high as 2020-2021, which has resulted in higher than budgeted income from licence renewals and applications. The inflation in home building costs has increased the contract price for building a new dwelling, resulting in higher premium income. Investment returns were volatile during the year with the changes in fair value of investments decreasing in 2021-2022.

Total expenditure was $354.12 million, 47 per cent higher than 2020-2021. This increase is primarily due to the increase in the provisions for future claims under the Queensland Home Warranty Scheme caused by the inflation in home building costs in Queensland which will impact the cost of future claims. This increase has also impacted income for the reinsurers’ share of the future claims liability, which is recorded as an asset in the statement of financial performance.

**The QBCC financial statements can be found in the PDF version of the Annual Report 2021-2022**

# Glossary

|  |  |
| --- | --- |
| AA | Administrative Access |
| AASB | Australian Accounting Standards Board |
| ABCD | Accelerated Builder - Consumer Dispute Framework |
| ALP | Australian Labor Party |
| APRA | Australian Prudential Regulatory Authority |
| ARRs | Annual Report Requirements for Queensland Government agencies |
| ATO | Australian Taxation Office |
| BERT | Building Employees Redundancy Trust |
| BIF Act | *Building Industry Fairness (Security of Payment) Act 2017* |
| BIFOLA | *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020* |
| BIF Regulation | Building Industry Fairness (Security of Payment) Regulation 2019 |
| QBC Board | Queensland Building and Construction Board |
| CCC | Crime and Corruption Commission |
| CCPD | Compulsory Continuing Professional Development |
| CPD | Continuing Professional Development |
| DEPW | Department of Energy and Public Works |
| EDR | Early Dispute Resolution |
| FAA | *Financial Accountability Act 2009* |
| FBT | Fringe Benefits Tax |
| FPMS | Financial and Performance Management Standard 2019 |
| FTE | Full-time equivalent |
| GST | Goods and Services Tax |
| HIA | Housing Industry Association |
| IFRIC | International Financial Reporting Standards Interpretations Committee |
| IP Act | *Information Privacy Act 2009* |
| IRU | Internal Review Unit |
| KMP | Key Management Personnel |
| MCC | Ministerial Construction Council |
| NAWIC | National Association of Women in Construction |
| NCBP | Non-Conforming Building Products |
| PD Act | *Plumbing and Drainage Act 2018* |
| PSIs | Pool Safety Inspectors |
| QAO | Queensland Audit Office |
| QBCC | Queensland Building and Construction Commission |
| QBCC Act | *Queensland Building and Construction Commission Act 1991* |
| QBCEO | Queensland Building and Construction Employing Office |
| QCAT | Queensland Civil and Administrative Tribunal |
| QIC | Queensland Investment Corporation |
| QTC | Queensland Treasury Corporation |
| RAP | Reconciliation Action Plan |
| REDI | Respect, Equity, Diversity, Inclusion |
| REMS | Reinsurance Management Strategy |
| RTI Act | *Right to Information Act 2009* |
| SaaS | Software-as-a-Service |
| SARAS | Study and Research Assistance Scheme |
| SDS | Service Delivery Statements |
| WHS | Workplace Health and Safety |

# Index of Tables

Table 1: Objective 1 performance measures 14

**Table 2: Number of valid adjudication applications received for 2021-2022** 17

**Table 3: Adjudication claimed amount for 2021-2022** 17

Table 4: Adjudicator registrations and renewal applications for 2021-2022 17

Table 5: Number of adjudication decisions released by registered adjudicators in 2021-2022 17

Table 6: Adjudication decisions released 17

Table 7: Total amounts awarded by adjudication decisions released in 2021-2022 – broken down by region 18

Table 8: Average number of business days from application to decision 18

Table 9: Adjudication application fees 18

Table 10: Average adjudicator fee as a percentage of the average total claimed amount 19

**Table 11: Activities pertaining to the 2021-2022 CPD year** 20

Table 12: Licences suspended and cancelled under section 48 of the QBCC Act in 2021-2022 20

Table 13: Number of investigations opened and closed 23

Table 14: Contractual investigations 24

Table 15: Demerit points issued to contractors 25

Table 16: Plumbing compliance actions 27

Table 17: Objective 2 performance measures 31

Table 18: Customer Contact Centre statistics 33

Table 19: QBCC Act licensees by licence type as at 30 June 2022 33

Table 20: QBCC Act Fire Protection classes by licence type as at 30 June 2022 33

**Table 21: PD Act licences by licence type as at 30 June 2022** 34

**Table 22: Mechanical services licensees by licence type as at 30 June 2022** 35

Table 23: Customer feedback statistics compared to the previous year 39

Table 24: Objective 3 performance measures 41

Table 25: Workplace profile data 41

Table 26: Target group data 42

Table 27: Objective 4 performance measures 45

Table 28: QBC Board member attendance and remuneration 2021-2022 50

Table 29: Service Trades Council member attendance and remuneration 2021-2022 54

# Compliance Checklist

| **Summary of requirement** | | **Basis for requirement** | **Annual report reference** |
| --- | --- | --- | --- |
| **Letter of compliance** | * **A letter of compliance from the accountable officer or statutory body to the relevant Minister/s** | ARRs *–* section 7 | 4 |
| **Accessibility** | * **Table of contents** * **Glossary** | ARRs – section 9.1 | 3  60 |
| * **Public availability** | ARRs – section 9.2 | 2 |
| * **Interpreter service statement** | *Queensland Government Language Services Policy*  ARRs – section 9.3 | 2 |
| * **Copyright notice** | *Copyright Act 1968*  ARRs – section 9.4 | 2 |
| * **Information Licensing** | *QGEA – Information Licensing*  ARRs – section 9.5 | 2 |
| **General information** | * **Introductory Information** | ARRs – section 10 | 5 |
| **Non-financial performance** | * **Government’s objectives for the community and whole-of-government plans/specific initiatives** | ARRs – section 11.1 | 2 |
| * **Agency objectives and performance indicators** | ARRs – section 11.2 | 13-47 |
| * **Agency service areas and service standards** | ARRs – section 11.3 | 13-47 |
| **Financial performance** | * **Summary of financial performance** | ARRs – section 12.1 | 58 |
| **Governance – management and structure** | * **Organisational structure** | ARRs – section 13.1 | 9 |
| * **Executive management** | ARRs – section 13.2 | 9 |
| * **Government bodies (statutory bodies and other entities)** | ARRs – section 13.3 | 50, 54 |
| * **Public Sector Ethics** | *Public Sector Ethics Act 1994*  ARRs – section 13.4 | 39 |
| * **Human Rights** | *Human Rights Act 2019*  ARRs – section 13.5 | 39 |
| * **Queensland public service values** | ARRs – section 13.6 | 5  (found in Our Strategic Plan section) |
| **Governance – risk management and accountability** | * **Risk management** | ARRs – section 14.1 | 51 |
| * **Audit committee** | ARRs – section 14.2 | 51 |
| * **Internal audit** | ARRs – section 14.3 | 51 |
| * **External scrutiny** | ARRs – section 14.4 | 55 |
| * **Information systems and recordkeeping** | ARRs – section 14.5 | 47 |
| * **Information Security attestation** | ARRs – section 14.6 | Not applicable |
| **Governance – human resources** | * **Strategic workforce planning and performance** | ARRs – section 15.1 | 41-42 |
| * **Early retirement, redundancy and retrenchment** | Directive No.04/18 *Early Retirement, Redundancy and Retrenchment*  ARRs – section 15.2 | 44 |
| **Open Data** | * **Statement advising publication of information** | ARRs – section 16 | 47 |
| * **Consultancies** | ARRs – section 31.1 | https://data.qld.gov.au |
| * **Overseas travel** | ARRs – section 31.2 | https://data.qld.gov.au |
| * **Queensland Language Services Policy** | ARRs – section 31.3 | https://data.qld.gov.au |
| **Financial statements** | * **Certification of financial statements** | FAA – section 62  FPMS – sections 38, 39 and 46  ARRs – section 17.1 | This can be found in the PDF version of the Annual Report 2021-2022 |
| * **Independent Auditor’s Report** | FAA – section 62  FPMS – section 46  ARRs – section 17.2 | This can be found in the PDF version of the Annual Report 2021-2022 |

ARRs Annual report requirements for Queensland Government agencies

FAA *Financial Accountability Act 2009*

FPMS Financial and Performance Management Standard 2019

1. As per Schedule 2 Building Industry Fairness (Security of Payment) Regulation 2017 [↑](#footnote-ref-2)
2. The suspended licence holder formally surrendered their licence. [↑](#footnote-ref-3)
3. A number of new sections of the BIF Act were included as part of investigations in 2020-2021 as a result of BIFOLA reforms, and therefore the number of investigations are not directly comparable to years prior to 2020-2021. [↑](#footnote-ref-4)
4. 118 complaints lodged related to four certifiers within one certification company. The complaints were opened and closed within the 2021-2022 financial year. [↑](#footnote-ref-5)
5. Disciplinary action was taken and it was decided that a penalty infringement notice was a more efficient and effective way of dealing with the non-compliance. [↑](#footnote-ref-6)
6. Number includes plumbers and drainers holding occupational plumbing/drainage licences under the PD Act who may also hold plumbing/drainage contractor licences under the QBCC Act. [↑](#footnote-ref-7)