

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

OBJECTIVE	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 2022-2023 (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.

TABLE 17: OBJECTIVE 2 PERFORMANCE MEASURES (CONTINUED)

OBJECTIVE	TARGET	ACTUAL	COMMENTS
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 2022-2023 (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 24.		

* 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*.

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.

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	30,950⁶

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.

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.

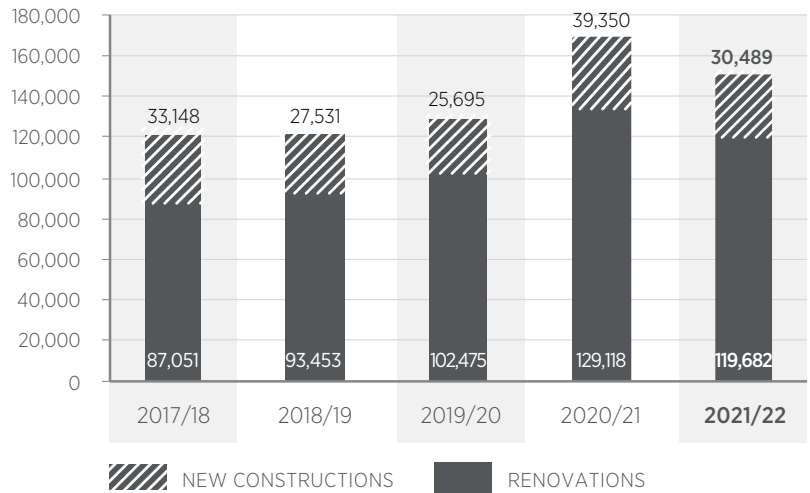
The premium payable for a contract for residential construction work increases as the value of the contract increases. Premiums received in 2021-2022 were higher than those received in 2020-2021 despite lower policy numbers due to the impact of home building cost inflation on contract values for new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

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.

The financial failure of licensed new-home builders is the primary driver of non-completion claims. While there were collapses in 2021-2022, however the typical increase in claim approvals was not observed. Analysis of claims resulting from those collapses shows a change in development, where the majority of claims are 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.

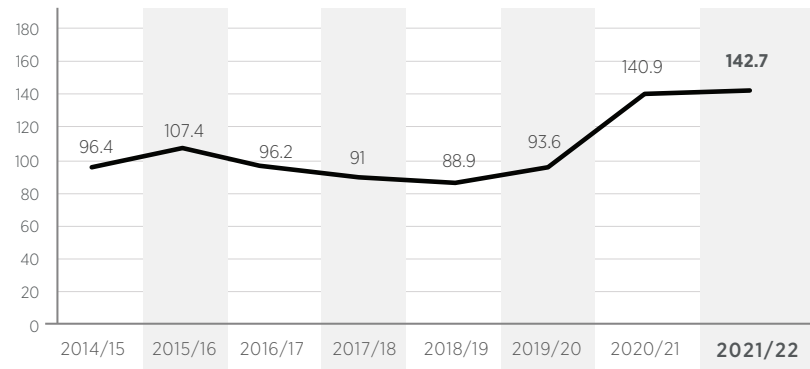
The QBCC holds licensees responsible for monies owed as a result of claims made against the Queensland Home Warranty Scheme.

NUMBER OF POLICIES ISSUED OVER PAST 5 YEARS

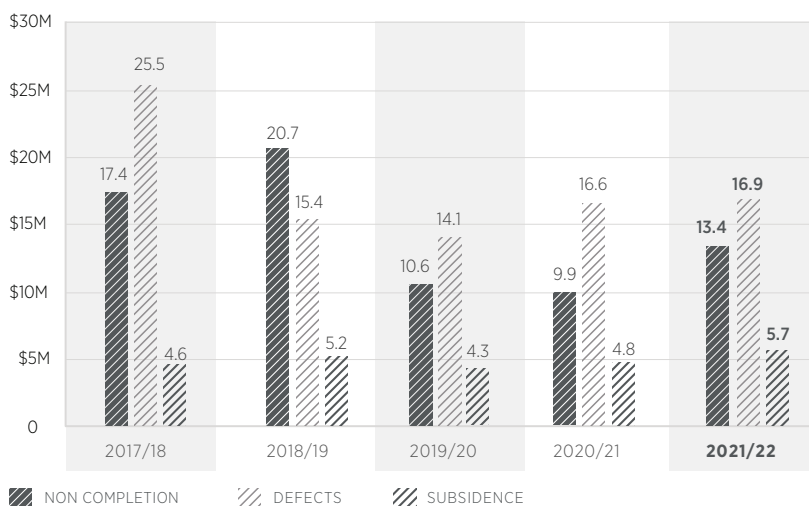


As at 28 October 2016, the type of work covered by the Queensland Home Warranty Scheme was expanded. The introduction of cover for manufactured homes, which was previously excluded, resulted in an increase in policies covered under the "New construction" data. The introduction of cover for swimming pools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

INSURANCE PREMIUMS (\$M)



INSURANCE CLAIM APPROVALS BY TYPE OVER THE PAST FIVE YEARS (\$M)



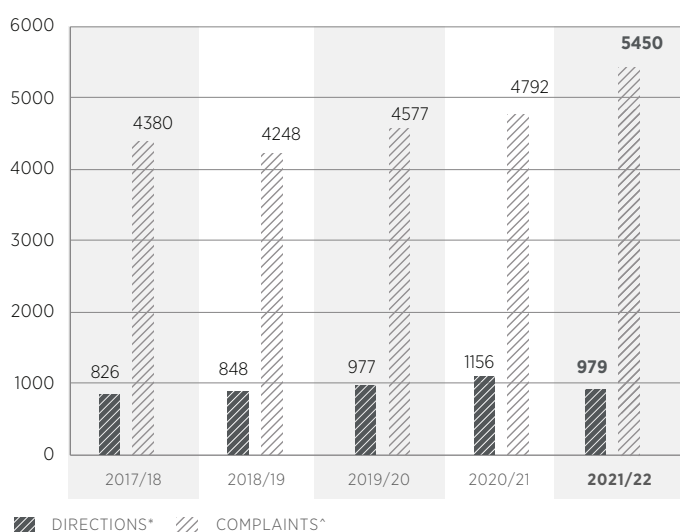
While most of the claims made against the Queensland Home Warranty Scheme are unrecoverable due to builder insolvency, where possible, the QBCC will attempt to recover the money owed. We recovered \$2.3 million in 2021-2022 for the Queensland Home Warranty Scheme.

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.

COMPLAINTS AND DIRECTIONS OVER THE PAST 5 YEARS



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

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

EARLY DISPUTE RESOLUTION

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