**Queensland**

**Building and Construction Commission**

**Annual Report**

**2022-2023**

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 2022-2023.

**About this report**

This report summarises the activities and performance of the Queensland Building and Construction Commission (QBCC) for 2022-2023 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 2022-23) 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 tenth 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)

**Acknowledgement of Country**

The QBCC acknowledges the Aboriginal and Torres Strait Islander Traditional Custodians of Country throughout Australia and recognise the continuing connection to lands, water and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past and present.

The QBCC is dedicated to advancing reconciliation and building a diverse workplace by adopting inclusive practices, encouraging learning, supporting tolerance and understanding, and respecting the diversity and traditions of Aboriginal and Torres Strait Islander communities. Our approach as an organisation will demonstrate commitment and enhance adoption within the wider community.

© Queensland Building and Construction Commission 2023

CONTENTS

[Letter of Compliance 4](#_Toc146794108)

[About us 5](#_Toc146794109)

[QBC Board Chair’s Message 6](#_Toc146794110)

[Commissioner’s Foreword 8](#_Toc146794111)

[Our Structure 10](#_Toc146794112)

[Our Board 11](#_Toc146794113)

[Our reach across Queensland 12](#_Toc146794114)

[Our performance 13](#_Toc146794115)

[Objective 1: Promote quality, safety, security of payment and licensee sustainability 14](#_Toc146794116)

[Objective 2: Deliver regulatory and insurance services that are timely, accurate, fair and transparent 31](#_Toc146794117)

[Objective 3: Put our people first, and support and value them 41](#_Toc146794118)

[Objective 4: Be efficient and financially sustainable 46](#_Toc146794119)

[Corporate Governance 49](#_Toc146794120)

[Financial Performance 61](#_Toc146794121)

[Summary of financial performance 62](#_Toc146794122)

[Glossary 64](#_Toc146794123)

[Index of Tables 65](#_Toc146794124)

[Compliance Checklist 66](#_Toc146794125)

# Letter of Compliance

21 September 2023

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 2022-2023 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 66 of this Annual Report.

Yours sincerely

Michelle James

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 values the role of the Department of Energy and Public Works (DEPW) in supporting the Government with policy and legislative responsibilities for the building and construction industry. We work with the DEPW to implement and progress government policy, while exercising our legislative responsibilities impartially, effectively, and consistently, to build trust and confidence in the industry.

Led by a Chief Executive Officer and Commissioner, our vision as published in the Strategic Plan, 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 our activities contributing across the focus areas of‘Supporting jobs’, ‘Building Queensland’, and ‘Backing small business’.

### Our Strategic Plan

The QBCC 2020-2024 (revised for 2022-23) Strategic Plan, to which this Annual Report relates, lays out four strategic objectives, associated strategies, and the performance measures we use to determine if we are achieving the objectives.

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 people matter and commits us to putting the welfare of our people at the forefront of all we do.

In carrying out our work, over the past four years the QBCC has valued the following behaviours in our people:

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

The QBCC 2020-2024 (revised for 2022-23) 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 has undertaken a comprehensive review of its Strategic Plan. The new plan, for the 2023-2027 period, was published on 30 June 2023 – which includes a refreshed vision, purpose and set of corporate values. The QBCC’s refreshed vision is a thriving and resilient building and construction industry inspiring confidence, and supporting sustainable social, environmental and economic outcomes for Queenslanders.

# QBC Board Chair’s Message

In this, my first Annual Report message as Chair of the Queensland Building and Construction (QBC) Board, I want to share with you some of the excellent outcomes achieved by the Queensland Building and Construction Commission (QBCC) during the 2022-2023 financial year.

Firstly, this Annual Report reveals a significant milestone in the QBCC’s ongoing protection of home and property owners, with a record value for claims approved under Australia’s most accessible home warranty scheme.

In 2022-2023, the Queensland Home Warranty Scheme (QHWS) administered by the QBCC approved $68.6 million in insurance claim approvals.

This included $47.5 million for non-completion claims, $17.3 million for defects claims and $3.8 million for subsidence claims.

The peace of mind offered by the QHWS is particularly important during the current period of volatility in the building and construction industry in Queensland and Australia, which has seen several high-profile company insolvencies.

To help manage the challenges currently facing our industry, the QBCC has instigated several improvements to its business practices over the past 12 months.

The QBCC Governance Review\* 2022 recommended a number of changes to the QBCC, including a restructured, smaller QBC Board.

The Review also recommended a renewed focus on the QBCC’s role regarding licensing and compliance of the industry, and enhancing its reputation based on consistency, transparency, and fair and impartial decision making.

To assist with this recommendation, the QBC Board has approved the QBCC Strategic Plan 2023-2027\*\* and endorsed a new set of Values for the QBCC.

The Strategic Plan includes a new Vision for the QBCC: ‘A thriving and resilient building and construction industry inspiring confidence, and supporting sustainable social, environmental and economic outcomes for Queenslanders’.

The QBC Board and I have great confidence in the Strategic Plan and believe it will help the QBCC continue with its successful regulation of our industry.

The QBCC also has a new Purpose: ‘To deliver excellence in regulatory services to reduce risk and offer protection from harm’.

The new Vision and Purpose are excellent guideposts for the QBCC, and the QBC Board strongly supports and encourages the aims and intent of these.

As we look to the year ahead, we know that our industry is likely to face a continuation of recent challenging circumstances.

However, we hope there is positive change and good news in the year ahead and wish our licensees and other industry participants success and safety with their work.

At the same time, while the QBC Board and the QBCC perform our roles, we will bear in mind the QBCC Governance Review 2022 and its call for transparent, consistent, and fair and impartial decision making.

Michelle James

Chair

Queensland Building and Construction Board

\* https://www.epw.qld.gov.au/about/initiatives/qbcc-governance-review

\*\* https://www.qbcc.qld.gov.au/resources/corporate-publication/qbcc-strategic-plan-2023-2027-expanded

# Commissioner’s Foreword

The past year, my first full year as Commissioner, has been a big year in many different ways. Unfortunately we have seen a continuation of the difficult times for the building and construction industry in Queensland and Australia.

Despite these challenges, I continue to be impressed with the ways in which our licensees and other industry participants, such as suppliers, have continued to push through adversity to keep delivering excellent work for Queenslanders.

These difficult industry circumstances make the QBCC’s role more important now than ever before, as we work to protect industry participants and Queensland home owners from financial and physical risks, and defective building work.

Over the past year, the QBCC has been extremely busy as we have continued to evolve and improve our services, to become an even more customer and outcomes-focused regulator, in particular with the planning and preparation for the QBCC Reset.

The QBCC Reset, which launched on 3 July 2023, is the first major review of our organisational structure since the changes that emanated from the 2012 Inquiry into the Operation and Performance of the Queensland Building Services Authority.

The changes delivered through the QBCC Reset are consistent with recommendations in the independent QBCC Governance Review 2022.

The QBCC Reset is designed to deliver improved customer service through more efficient and consistent business practices by the QBCC. At its heart we are aiming to make it easier to do business with the QBCC and easier for our people to do their jobs.

As we were preparing for this important change, the QBCC’s people continued to work hard for our industry and home owners on a number of fronts.

We have seen total cases managed by our people (non-completion claims, defective work claims, defective work complaints, and early dispute resolution cases) increase from 6,825 in 2020-2021 to 8,240 in 2021-2022 to 8,800 in 2022-2023 – a 29 per cent increase over three years.

Non-completion claims under the Queensland Home Warranty Scheme have increased from 212 in 2020-2021 to 730 in 2021-2022 to 1387 in 2022-2023 – an increase of 554 per cent over three years.

One of our critical roles is to check that building work is being performed safely and to appropriate standards. To help us with this, we conducted 1,404 proactive site visits or inspections, and issued 110 improvement notices to licensees.

This tells us that the vast majority of our licensees are doing a great job, and so our role is to focus our efforts on the few that are not.

We also undertook 735 investigations into unlicensed contracting and 204 improper uses of a licence.

Compliance checks like this help protect home owners from illegal, dangerous and defective work and help maintain an equitable playing field for our qualified, experienced licensees. We are committed to focusing our compliance and enforcement efforts on the areas of greatest risk.

Our educational events for industry participants help reduce the risk of company insolvencies, non-payment of subcontractors and worksite safety incidents. In 2022-2023, we presented 49 retention trust training webinars, 29 in-person sessions on financial reporting responsibilities, 16 information sessions for apprentices and much more. We are committed to continuously improving the way we support, educate and advise our customers.

Security of payment for our licensees and financial reporting activities by licensees are also closely monitored by the QBCC.

In 2022-2023, we commenced 259 financial audits of licensees and conducted 167 non-payment of debts investigations, leading to 27 licence cancellations and 47 licence suspensions..

Approximately $6.3 million in outstanding debts was paid to creditors who lodged a monies-owed complaint with the QBCC, taking the amount paid to creditors since this process started in 2014 to approximately $50 million.

Trust accounts have been introduced to help subcontractors get paid, and parties that are required to use project trust accounts are subject to rules regarding deposits and withdrawals and recordkeeping. Since commencement on 1 March 2021, and as at 30 June 2023, 737 Project Trust Accounts have been opened, with a total contract value of approximately $14.3 billion – of these, 697 remain open with a value of $13.8 billion. In the same period, 271 Retention Trust Accounts (which hold retentions for multiple projects) have also been opened.

The QBCC’s audits of trust account requirements included completed reviews of 132 project trust accounts and three retention trust accounts.

Looking to the future, the QBCC Reset will be assisted by our recruitment of a significant number of new roles to help us improve our service delivery and outcomes for all our customers (licensees and consumers) as well as the broader community.

This will mean we can:

* increase our frontline staff to deliver improvements across critical service areas like dispute resolution, building inspections, licensing, home warranty claims management and maintaining security of payment for subcontractors
* implement a Regulatory Assurance Framework to provide quality assurance that will result in greater clarity and consistency in our decision-making
* establish the QBCC Regulatory Academy to improve the quality of decisions by training staff to ensure they act consistently, transparently, fairly and impartially, and to provide information and education opportunities to our customers
* invest in customer research and data analysis initiatives that will derive better insights and drive QBCC’s priorities, deliverables and improvements in the customer experience
* progress a pilot for an independent, quarantined dispute resolution service within the QBCC
* continue to deliver against the digital services strategy and roadmap to ensure the QBCC’s information systems are contemporary and integrated; making it easier for customers and stakeholders to interact with the QBCC.

These activities will improve the QBCC’s performance and contribute to delivery of the QBCC Governance Review 2022 recommendations.

While we are doing all of this, our people will continue to provide conscientious and diligent work for all building and construction industry participants and Queensland home owners.

Your success is our success. We want to see a thriving and resilient building and construction industry that inspires confidence, and supports sustainable social, environmental and economic outcomes for Queenslanders.

To do this we are committed to delivering excellence in our regulatory services to reduce risk and offer protection from harm.

Anissa Levy

CEO and Commissioner

Queensland Building and Construction Commission

# Our Structure

The QBCC’s senior management structure chart identifies the key figures within the organisation and their areas of responsibility as at 30 June 2023.

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

The Honourable Mick de Brenni MP

**SERVICE TRADES COUNCIL**

(see page 56)

**QBC BOARD** (see page 11)

**CEO and COMMISSIONER**

Anissa Levy

The Commissioner is responsible for the overall management of the QBCC and all its functions, including leading its transformation to be a more outcomes and customer-focused organisation. The Commissioner is also the Executive Officer of the Queensland Building and Construction Employing Office which employs staff for the QBCC.

**CHIEF STRATEGY AND TRANSFORMATION OFFICER**

Mandy Downes

(acting)

**CHIEF INFORMATION OFFICER**

Jeremy Janes

**CHIEF FINANCIAL OFFICER**

Tim Murphy

**CHIEF**

**HUMAN RESOURCE OFFICER**

Julia Smith

**CHIEF LEGAL OFFICER**

Dean McNulty

**CHIEF INTEGRITY AND RISK OFFICER**

Skye Bowie

The Chief Building Regulator oversees the regulatory operations of the QBCC and is responsible for implementing the transformation to enhance effectiveness in regulatory operations.

**CHIEF BUILDING REGULATOR**

Angela Masson

**ASSISTANT COMMISSIONER**

**(Service Trades and Regulatory)**

Chris McCahon

(acting)

**ASSISTANT COMMISSIONER**

**(Technical)**

Gary Saunders

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

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

The Chief Legal Officer leads the Legal and Legislation Division which includes the Legal Services Unit, the Policy and Legislation Unit and the Right to Information and Privacy Unit. The Division provides legal advice to the QBC Board, the Commissioner, and the Executive Team, and represents the QBCC in legal proceedings. The Division also monitors the building industry’s legislative framework to provide operational insights to the DEPW, and ensures that the QBCC properly discharges its right to information and privacy obligations.

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 Information Officer leads the Information Division which delivers critical information and Digital Services and Customer & Communications services to QBCC people and our customers.

The Chief Integrity and Risk Officer leads the newly established Integrity and Risk Division ensuring that the QBCC's governance arrangements are fit for purpose, that it complies with its' obligations and is able to manage risk effectively. It comprises the Adjudication Registry, Conciliation and Mediation Governance, Risk and Ethics, and Assurance functions.

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 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, 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.

## Our Board

As at 30 June 2023

**Michelle James (Chair)** – Appointed 1 December 2022

*LLB (Hons), GAICD*

The QBC Board 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.

**John Anderson (Deputy Chair)** – Appointed 1 December 2022

QBC Board Deputy Chair, Mr Anderson, is a respected and tertiary qualified First Nations Elder with extensive public sector, board, and leadership experience. He is the Executive Director of Pi-CaTS Pty Ltd and appointed community member to several Queensland Boards, as well as a volunteer Board Director of Health Consumers Queensland. Mr Anderson was the first Aboriginal trade unionist nominated by his peers for appointment as a Federal Council member of the Australian Council of Trade Unions.

**Robyn Petrou** – Appointed 1 December 2022

QBC Board member Ms Petrou, brings a wealth of expertise having successfully navigated complex financial landscapes, with expertise in funds and financial management, investment and corporate strategies, risk mitigation, and advocacy. Her tenure as CEO of a superannuation fund has been marked by innovative approaches to customer engagement, driving growth, and ensuring long-term sustainability. Robyn has over 15 years’ experience as a board director. Her visionary leadership has catalysed transformative changes, positioning organisations for sustained success amidst evolving market dynamics.

**Christopher Edwards** – Appointed 1 December 2022

QBC Board member, Mr Edwards, is a non-executive board member of the Board of Professional Engineers of Queensland, Racing Queensland, and Aviation Australia.

**Suzanne Baker**– Appointed 1 December 2022

QBC Board Member and Chairperson QBC Finance Audit and Risk Committee, Ms Baker is a professional non-executive director with 25 years’ experience as a non-executive director, committee member and Chairperson. She has extensive experience on public sector boards and Audit Committees and holds tertiary qualifications and professional memberships in Accounting, Finance and Governance. During the year Ms Baker’s term as a Non-Executive Director of Sustainable Timber Tasmania concluded.

**Colin Cassidy** – Appointed 1 December 2022

QBC Board member, Mr Cassidy, holds positions on the Metro South Hospital and Health Board and has significant board and committee experience. He has had a long public sector career, including several senior executive roles in the Queensland Government.

**Meg Frisby** – Appointed 1 December 2022

*LLB*

QBC Board member, Ms Frisby, is the Director of Meg Frisby Consulting, a stakeholder relations consultancy based in North Queensland. She has extensive private and public sector experience having worked as a lawyer, a Chief of Staff in State and Local Government and in the resources sector as a Stakeholder Relations Specialist.

## Our reach across Queensland

The QBCC offers customer, regulatory, and corporate services through nine service centres located across Queensland, including one Brisbane office located in West End.

**Brisbane**  *299 Montague Road, West End, Brisbane Qld 4101*

*CEO and Commissioner:* Anissa Levy

*Active QBCC licensees:* 49,930

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

*Acting Manager:* John Cooper

*Active QBCC licensees:* 11,929

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

*Acting Manager:* Susan Sheppard

*Active QBCC licensees:* 6,074

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

*Manager: Dani Benstead*

*Active QBCC licensees:* 10,805

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

*Manager:* Daniel Stephensen

*Active QBCC licensees:* 4,219

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

*Manager:* Edward Goodsall

*Active QBCC licensees:* 2,938

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

*Manager:* Karen Hold

*Active QBCC licensees:* 2,661

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

*Manager:* William Piper

*Active QBCC licensees:* 3,881

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

*Manager:* William Courtney

*Active QBCC licensees:* 5,233

# Our performance

The following section highlights our performance against the four objectives within the QBCC Strategic Plan 2020-2024 (revised for 2022-23).

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

Company insolvencies, non-payment of subcontractors, 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:

* 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** |
| **Year-on-year increase in compliance with minimum financial requirements** | These measures are responded to qualitatively. The QBCC’s regulatory activities in pursuit of these strategies and performance measures are described in the remainder of this chapter. | |
| **Reduction in non-compliance evidenced by approved audit programs** |
| **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** |
| **Percentage of compliant pools with valid pool certificates across residential, rental and short-stay properties** |

### Security of payment for subcontractors

In 2022-2023, 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:

* continuing investigations and compliance action for monies owed complaints and security of payment under *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 approved audit programs on project trust accounts and retention trust accounts
* 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
* investigating the implications of the voluntary administration of a trustee company and the effect for the beneficiaries of a trust account.

Activities under the Minimum Financial Requirements

The Minimum Financial Requirements (MFR) legislation was introduced to provide greater transparency and better equip the QBCC to detect and mitigate the impacts of potential insolvencies and corporate collapses, and to help ensure that subcontractors and suppliers are paid for their work. Meeting MFR is an indicator that contractor-type licensees have a financially sustainable business and appropriate levels of working capital.

As at 30 June 2023, 99.5 per cent of category 4-7 licensees had lodged annual financial information with the QBCC under the annual reporting requirements - this information was due 31 December 2022. The QBCC imposed licence conditions for failing to lodge required financial information on time against 25 licensees, resulting in no suspensions and no cancellations to date – further regulatory action is still under investigation.

Regulatory action taken for suspected non-compliance with Minimum Financial Requirements for category 4-7 licensees, including actions taken as a result of annual reporting financial information and financial information received outside of annual reporting, included:

* issuing show cause notices for suspected non-compliance with minimum financial requirements: 41
* suspending licences: two
* cancelling licences: nil.

Further regulatory action is still under investigation.

As at 30 June 2023, 99 percent of category 1-3 licensees had lodged their annual financial information for annual reporting requirements – this information was due 31 December 2022. The QBCC imposed licence conditions for failing to lodge required financial information on time against 480 licensees, resulting in no suspensions and no cancellations to date – further regulatory action is still under investigation.

Regulatory action taken for suspected non-compliance with Minimum Financial Requirements for category 1-3 licensees based off annual reporting financial information provided, included:

* financial audits commenced: 91
* issuing show cause notices for suspected non-compliance with Minimum Financial Requirements: 80
* suspending licences: six
* cancelling licences: two.

Further regulatory action taken for category 1-3 licensees suspected non-compliance with minimum financial requirements outside of annual reporting:

* financial audits commenced: 168
* issuing show cause notices for suspected non-compliance with Minimum Financial Requirements: 48
* suspending licences: 14
* cancelling licences: six.

Approximately 85 per cent of licensees belonging to categories SC1 and SC2 had lodged their annual financial information as at 30 June 2023 – this information was due 31 March 2023.

Regulatory action taken for suspected non-compliance with Minimum Financial Requirements for categories SC1 and SC2 based outside of annual reporting:

* issuing show cause notices for suspected non-compliance with Minimum Financial Requirements: 32
* suspending licences: seven
* cancelling licences: five.

Financial audits and monies-owed investigations

The QBCC conducts financial audits of licensees and investigations into non-payment of debts. These can lead to licence suspensions and cancellations where breaches of Minimum Financial Requirements are found.

During the 2022-2023 financial year, the QBCC commenced 259 financial audits of licensees. The QBCC also conducted 167 investigations into non-payment of debts, leading to 47 licence suspensions and 27 licence cancellations.

In the reporting period, approximately $6.3 million in outstanding debts were paid to creditors who lodged a monies-owed complaint with 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 2023 is approximately $50 million.

The QBCC Act establishes a framework for excluding individuals from holding a contractor licence, nominee supervisor licence, site supervisor licence, or being in an influential role in a licensed company where the individual has been involved (in specified circumstances) with a financial failure. The QBCC excluded 220 individuals due to their involvement in a financial failure during the financial year. Of this number, 111 were licensees who had their licence cancelled. There were also 10 individuals permanently excluded due to their involvement in a second financial failure.

The QBCC may also exclude a company from holding a contractor licence if it has an excluded individual who is a director of, secretary of, or an influential person for the company. There were 75 companies excluded from holding a licence during the financial year for these reasons.

Payment claim audits

In 2022-2023, in line with the approved audit program, the QBCC finalised a payment claim audit program. The audit program included a review to identify licensees for whom the QBCC has received two or more complaints for non-payment, underpayment, or late payment between 1 February 2022 and 31 July 2022. Three licensees were then audited, resulting in two receiving warning notices.

Trust Account audit programs

Parties that are required to use trust accounts (for progress payments and retention amounts) are subject to rules regarding deposits and withdrawals, recordkeeping and giving notifications.

To monitor compliance with these requirements, two approved audit programs on project trust accounts and one approved audit program on retention trust accounts were carried out during the 2022-2023 period (with one audit program continuing in the 2023-2024 period). The audit programs reviewed the operation of the following:

* 82 project trust accounts that were opened between 19 September 2022 and 17 March 2023
* three retention trust accounts that were opened between 15 December 2022 and 14 March 2023
* 64 project trust accounts that were opened within the targeted period of 20 March 2023 and 29 September 2023, and had audits commenced during the 2022-2023 period

Thirty-three of the above audits were still in progress as at 30 June 2023. In total, 135 trust account audits were completed in the 2022-2023 period. This included 19 trust account audits that were carried forward from the 2021-2022 period.

These audit programs identified minor anomalies and did not result in any enforcement actions. The audit programs led to detailed tailored, educative action involving the trustees of each audited trust account.

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 QBCC investigators with powers to investigate, monitor and enforce compliance with the BIF Act.

The below summarises activities that occurred in these areas in 2022-2023:

* initiated 81 cases for breaches of section 76 and closed 89 cases, including cases carried over from the previous year
* issued 14 penalty infringement notices for contraventions of section 76
* opened no cases for offences of section 88
* issued 14 penalty infringement notices for contraventions of section 90
* issued no warnings for section 90 and section 76
* investigated two cases 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, and
* the rate of interest payable on any adjudicated amount.

Adjudication applications

Table 2 outlines the total number of valid adjudication applications received by the Registrar for the period 1 July 2022 to 30 June 2023.

Table 2: Number of valid adjudication applications received for 2022-2023

|  |  |
| --- | --- |
| **Adjudication application type** | **Number of applications** |
| Standard (less than $750,000) | 225 |
| Complex (greater than $750,000) | 37 |
| **Total** | **262** |

Table 3 outlines the total amount claimed from the 262 valid adjudication applications received by the Registrar for the period 1 July 2022 to 30 June 2023.

Table 3: Adjudication claimed amount for 2022-2023

|  |  |
| --- | --- |
| **Total value of claims** | $294,991,879.81 |
| Maximum claim | $50,588,684.30 |
| Minimum claim | $617.10 |
| Average claim | $1,125,923.21 |

Adjudication decisions

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

Table 4 sets out the total number of adjudicator registration and renewal applications for the period 1 July 2022 to 30 June 2023.

Table 4: Adjudicator registrations and renewal applications for 2022-2023

|  |  |  |
| --- | --- | --- |
| **Application type** | **Number** | **Fees paid** |
| Registration | 6 | $5,187.24 |
| Renewal | 52 | $42,404.64 |

There were 262 adjudication applications received, of these a total of 238 were referred to an independent registered adjudicator for determination. The number of applications referred is lower than the number of applications received because some applications will have been withdrawn prior to a referral being made, and in some cases an application was made in the last few days of the 2022-2023 period and may only be referred during the following period.

Table 5 sets out the number of adjudication decisions released by registered adjudicators for the period 1 July 2022 to 30 June 2023.

Table 5: Number of adjudication decisions released by registered adjudicators in 2022-2023

|  |  |
| --- | --- |
| **Adjudication application type** | **Number of decisions** |
| Standard (less than $750,000) | 152 |
| Complex (greater than $750,000) | 20 |
| **Total** | 172 |

Table 6 sets out the total amounts awarded by adjudication decisions released for the period 1 July 2022 to 30 June 2023.

Table 6: Adjudication decisions released by registered adjudicators in 2022-2023

|  |  |
| --- | --- |
| Total value of claims - decisions released | $152,408,699.17 |
| Maximum claim value - decision released | $49,164,282.03 |
| Minimum claim value - decision released | $770.00 |
| Average claim value - decisions released | $886,097.09 |
| Total value of adjudicated amount - decisions released | $21,858,656.22 |

Table 7 sets out the total value of claims and amounts awarded by adjudication decisions released for the period 1 July 2022 to 30 June 2023, broken down by region.

Table 7: Total of adjudication applications lodged and amounts awarded by adjudication decisions released in 2022-2023 – 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 | 143 | $144,884,807.36 | 97 | $48,783,052.79 | $11,096,424.86 |
| Cairns | 7 | $15,557,320.60 | 3 | $8,911,470.44 | $110,913.87 |
| Gold Coast | 33 | $31,961,206.55 | 26 | $16,345,864.49 | $4,718,449.80 |
| Mackay | 11 | $2,968,650.89 | 8 | $16,585,723.39 | $2,606,360.20 |
| Maryborough | 5 | $17,756,004.80 | 2 | $4,990,499.58 | $1,609,916.09 |
| Rockhampton | 10 | $4,302,689.52 | 6 | $356,087.74 | $160,016.18 |
| Sunshine Coast | 27 | $6,185,167.38 | 16 | $1,170,214.93 | $1,015,329.33 |
| Toowoomba | 13 | $1,828,414.81 | 7 | $127,656.94 | $50,106.09 |
| Townsville | 13 | $69,547,617.90 | 7 | $55,138,128.87 | $491,139.80 |
| **Total** | 262 | $294,991,879.81 | 172 | $152,408,699.17 | $21,858,656.22 |

Table 8 sets out the average number of business days from making an adjudication application to having an adjudication decision made, for the period 1 July 2022 to 30 June 2023.

Table 8: Average number of business days from application to decision in 2022-2023

|  |  |  |
| --- | --- | --- |
|  | **Standard** | **Complex** |
| Maximum | 48.0 | 120.0 |
| Minimum | 10.0 | 27.0 |
| Average | 23.1 | 56.6 |

Adjudication application fees

Under the BIF Act, an application for adjudication must be accompanied by the prescribed fee. For the period 1 July 2022 to 30 June 2023, the prescribed application fee ranged from $62.22 for payment claims of no more than $10,611.85, to a percentage of the claimed amount for payment claims of more than $1,156,245.65 (capped at $6,225.65). The total value of adjudication application fees for applications lodged between 1 July 2022 and 30 June 2023 was $180,417.60.

Table 9 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 2022 to 30 June 2023.

Table 9: Adjudication application fees in 2022-2023

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Claim value1** | **Number of applications made to the Registrar** | **Average application fee** | **Average total claimed amount** | **Average application fee as a percentage of average total claimed amount** |
| $0 - $10,611.85 | 59 | $62.22 | $5,187.90 | 1.20% |
| $10,611.85 - $53,059.45 | 80 | $186.70 | $26,915.95 | 0.69% |
| $53,059.45 - $106,118.85 | 39 | $311.19 | $71,421.90 | 0.44% |
| $106,118.85 - $265,297.15 | 28 | $435.83 | $160,101.98 | 0.27% |
| $265,297.15 - $530,594.30 | 12 | $560.27 | $372,702.76 | 0.15% |
| $530,594.30 - $795,891.50 | 7 | $684.75 | $603,061.63 | 0.11% |
| $795,891.50 - $1,156,245.65 | 6 | $809.29 | $924,691.32 | 0.09% |
| > $1,156,245.65 | 31 | $3,657.63 | $8,742,651.46 | 0.04% |

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.

Table 10 sets out the average adjudicator fee as a percentage of the average total claimed amount for decisions released in the period 1 July 2022 to 30 June 2023.

Table 10: Average adjudicator fee as a percentage of the average total claimed amount in 2022-2023

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Claim value | Number of decisions made by adjudicators | Average total claimed amount | Average adjudicator fees | Average adjudicator fees as a percentage of average total claimed amount |
| $0 - $10,611.85 | 43 | $5,548.42 | $799.46 | 14.4% |
| $10,611.85 - $53,059.45 | 47 | $27,097.61 | $3,020.23 | 11.1% |
| $53,059.45 - $106,118.85 | 34 | $74,914.99 | $5,630.55 | 7.5% |
| $106,118.85 - $265,297.15 | 18 | $164,803.47 | $10,185.71 | 6.2% |
| $265,297.15 - $530,594.30 | 7 | $385,147.51 | $12,623.82 | 3.3% |
| $530,594.30 - $795,891.50 | 3 | $609,111.22 | $8,550.00 | 1.4% |
| $795,891.50 - $1,156,245.65 | 3 | $908,213.15 | $23,924.33 | 2.6% |
| > $1,156,245.65 | 17 | $8,125,585.37 | $47,206.02 | 0.6% |

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 team members for timely information about the adjudication process. The advisory service enhances awareness about payment rights and obligations.

For the period 1 July 2022 to 30 June 2023, the Registry received 1,231 enquiries. This is a significant increase in the number of enquiries compared to the previous 2021-2022 financial year, where the Registry received a total of 902 enquiries.

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.

Under 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, and

• with at least five of those applications relating to a progress payment of more than $25,000.

Under 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 that took place in the period 1 July 2022 to 30 June 2023, there were nine grade 1 adjudicators assessed as eligible for grade 2 registration.

Continuing professional development

As required by 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 149 registered adjudicators.

Table 11: Activities pertaining to the 2022-2023 CPD year

|  |  |
| --- | --- |
| CPD records provided | 136 |
| Suspended or cancelled registrations (BIF Act section 171) | 6 |
| Surrendered registrations | 5 |
| No record required (BIF Regulation section 30) | 1 |
| Records outstanding due to an extension of time | 1 |

Forecast of registry operations

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

For the 2023-2024 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. Table 12 provides data on the grounds for these suspensions and cancellations.

Table 12: Licences suspended and cancelled under section 48 of the QBCC Act in 2022-2023

|  |  |  |
| --- | --- | --- |
| **Reason for suspension/cancellation** | **Suspension\*** | **Cancellation\*** |
| Breach of Minimum Financial Requirements (other than ‘monies-owed’) | 29 | 13 |
| Failure to pay debts (‘monies-owed’) | 49 | 22 |
| Failure to comply with a financial audit | 22 | 11 |
| Breach of a licence condition (including annual reporting requirements and company deregistration) | 311 | 255 |
| Licensee not fit and proper to hold a licence (including if the licensee’s interstate or New Zealand licence is cancelled or suspended) | 0 | 2 |
| Licensee was convicted of an indictable offence | 0 | 3 |
| Licensee owed an amount to the QBCC and failed to comply with a demand to discharge the debt | 5 | 2 |
| Licensee company ceases to have a nominee | 166 | 80 |
| **Total** | 582 | 388 |

*\* These figures represent actions involving regulatory decisions and do not include cancellation or suspension relating to failure to renew a licence.*

The QBCC may immediately suspend a licence if it reasonably believes there is a real likelihood that a person will suffer serious financial loss or other serious harm. In 2022-2023, there were no immediate suspensions imposed by the QBCC.

### Licensing investigations in response to safety related incidents

Licensees are required by law to notify the QBCC whenever building or other work on a building site under their control may have caused the death of, or grievous bodily harm to, a person, or if the work involved a serious risk to the health or safety of a person.

Under an information-sharing arrangement, the QBCC is also advised by Workplace Health and Safety Queensland (WHSQ) when it becomes aware of such incidents. WHSQ may issue infringement and improvement notices and can prosecute and close sites where there are serious issues. The QBCC may impose licence conditions, suspend or cancel a licence or take disciplinary action depending on the circumstances of the event, any remedial actions, submissions provided by licensees, and assessment of ongoing risk. This collaborative and complementary relationship ensures a structured and appropriately focused regulatory approach to mitigating safety risks in the sector. The QBCC may also suspend a licence without allowing the licensee time to make written representations if there is a real likelihood that a person will suffer serious harm if the licence is not immediately suspended.

In 2022-2023, the QBCC investigated 238 safety matters involving licensees. In this period, one licence was suspended, three licences were cancelled, two show cause notices were issued, and seven licensees had one or more disciplinary actions or conditions imposed on their licences.

### **Non-conforming building products (NCBP)**

The QBCC continues to audit building products and take appropriate action under the NCBP laws. These laws establish a chain of responsibility, placing obligations on supply-chain participants, 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 2022 to 30 June 2023, the QBCC finalised 257 enquiries and complaints, with 12 ongoing. The number received and finalised is not equal as enquiries and complaints can be carried over from previous financial years.

The outcomes of the 257 enquiries and complaints finalised were:

* 16 determinations of NCBP, resulting in appropriate regulatory action or voluntary remedial action
* nine resolutions through specific targeted education of persons in the chain of responsibility
* 15 findings of no evidence or insufficient evidence that the products were a non-conforming product for the intended use, with education provided to parties on the NCBP laws
* 134 resolutions through general education without requiring a finding of non-conformance
* 16 escalations for detailed technical investigation
* 57 resolutions through retaining information as general intelligence
* eight re-directions of affected parties to other areas of the QBCC
* two were not related to NCBP.

In 2022-2023, through a review of the team structure and processes, the NCBP team was able to work through a backlog of older cases and undertake pro-active engagement with industry through the development and publishing of product-specific factsheets, supporting industry webinars and undertaking a regional education program with manufacturers and suppliers.

The regional education program consisted of 115 businesses visited in the following locations:

* Warwick, Stanthorpe, Inglewood, Goondiwindi, Millmerran, Dalby, Esk, Mareeba, Atherton, Innisfail, Tully, Cardwell, Ingham, Charters Towers, Home Hill, Ayr, Townsville, Proserpine, Cannonvale, Sarina, Paget, Glenella, Mackay, Mount Pleasant, Clermont, Emerald, Biloela, Gladstone, Mount Isa, Longreach and Barcaldine.

Each business was provided with information on NCBP laws and an NCBP ‘postcard’ that contained a QR code that takes the reader to specific NCBP information and technical factsheets on the QBCC website.

Through these actions and other educative activities, the QBCC has strengthened the knowledge and awareness of NCBP legislation among industry participants 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, Part 4A Combustible Cladding of the Building Regulation 2006(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 obligation of building owners to complete the Combustible Cladding Checklist expired on 3 May 2021, however some building owners continue to work through the checklist program to finalise their registrations.

During the 2022-2023 financial year, the QBCC received an additional 46 registrations (a total of 19,986 buildings) and an additional 46 buildings were identified as a cladding fire risk (bringing it to a total of 950). As at 30 June 2023, 18,015 buildings have exited the program having been identified as not being a cladding fire risk. One thousand and twenty one buildings remain registered in the program of which 295 are considered a potential cladding fire risk. The QBCC continues to work with building owners to complete their registrations.

The QBCC commenced proactive investigations into potential breaches of Part 4A of the Regulation and carried out site audits to ensure building owners with buildings identified as a cladding fire risk were complying with their ongoing obligations. Desktop audits were also undertaken to ensure the accuracy of information submitted in the checklist.

The QBCC completed 225 site audits of buildings identified as having a cladding fire risk to ensure building owners were meeting ongoing obligations to display an Affected Private Building Notice. Sixteen investigations were commenced into non-compliance and seven resulted in education being provided. Two hundred and two buildings were found to be complying with their obligations.

During 2022-2023, the QBCC finalised 35 prosecutions against building owners who did not complete the checklist program, or where a combustible fire risk may be present due to incorrect or incomplete document lodgement. Eighteen building owners pleaded guilty without the need for a contested hearing. Fines ranged between $2,000 and $8,000 for companies, $3,000 for bodies corporate and $1,500 for individuals. The QBCC offered no evidence for the remaining 17 matters due to case conferencing establishing that the cladding had been rectified or further information revealed no cladding was on the building.

There have been 236 buildings that 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 Program’s Combustible Cladding Checklist process.

### Compliance and enforcement activities

The QBCC uses its powers under the QBCC Act 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. The QBCC also carries 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 2022-2023, the top five offences (listed below) made up 81 per cent of all investigations:

* domestic building contracts (Schedule 1B) offences: 27 per cent
* unlicensed contracting: 25 per cent
* insurance offences: 11 per cent
* advertising (which includes advertising whilst unlicensed and non-compliant advertisements): 11 per cent
* improper use of licence: 7 per cent.

Table 13: Number of investigations opened and closed - top five offences

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **2021-2022** | **2022-2023** |
| Schedule 1B (domestic contracts) | 542 | 563 | 719 | 812 |
| Unlicensed contracting | 585 | 565 | 651 | 735 |
| Insurance | 268 | 386 | 312 | 339 |
| Advertising | 90 | 243 | 354 | 320 |
| Improper use of a license | 04 | 125 | 172 | 204 |

In 2022-2023, the QBCC continued to focus its investigations on unlicensed contracting, advertising breaches, contract offences, home warranty insurance breaches, corporate duties-based offences around non-conforming building products and 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.

In the previous reporting period (during March and April 2022), the QBCC’s Compliance and Enforcement branch led ‘boots-on-the-ground’ activities, conducting door-to-door educational engagement with property owners affected by severe flooding in Brisbane and southeast Queensland. QBCC officers advised owners about the importance of only using licensed contractors during reconstruction. In August 2022, a second phase of this action was undertaken, with QBCC investigators revisiting flood-affected properties to conduct site audits and ensure compliance with the QBCC Act. Compliance rates were high, presumably due to a combination of the previous educational efforts and the fact that most of the reconstruction was funded through insurance claims.

### Contractual investigations

As part of the QBCC’s responsibility to examine suspected breaches of the QBCC Act, we may conduct investigations requiring the licensee to produce all contracts for review. Although we review both domestic and commercial contracts, our key focus is on domestic contracts to provide additional support to home owners who may only occasionally deal with the building and construction industry.

Where required, appropriate action is taken ranging from education, issuing warnings and infringement notices, to commencing prosecution action for more serious offending.

Table 14 provides data on the QBCC’s 2022-2023 contractual investigations and related activities:

Table 14: Contractual investigations activities in 2022-2023

|  |  |  |
| --- | --- | --- |
|  | **Domestic contract** | **Commercial contract**  **(QBCC Act Part 4A)** |
| Investigations | 812 | 19 |
| Warnings issued | 312 | 10 |
| Contractors issued with an infringement notice | 201 | 3 |
| Infringement notices issued | 206 | 3 |

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

Demerit points are a regulatory tool used to discourage repeated breaches and encourage corrective action. The accumulation of a certain number of demerit points can lead to the disqualification of a licence.

Table 15 shows demerit points issued to contractors in 2022-2023 for various breach categories.

Table 15Error! No sequence specified.: Demerit points issued to contractors

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Breach Categories** | **2019-2020** | **2020-2021** | **2021-2022** | **2022-23** |
| Demerit points issued for unsatisfied judgment debts | 70 | 40 | 110 | 80 |
| Demerit points issued for contractual offences | 1,584 | 1,720 | 1,866 | 1,454 |
| Demerit points issued for failure to rectify | 1,862 | 2,556 | 2,768 | 3,092 |
| Demerit points issued for failing to pay insurance premium | 386 | 258 | 332 | 430 |
| Demerit points issued for carrying out work without a nominee | 8 | 0 | 0 | 0 |
| Demerit points – other | 156 | 122 | 68 | 128 |
| **Total demerit points issued** | **4,066** | **4,696** | **5,144** | **5,184** |
| **Contractors issued with demerit points** | **515** | **594** | **672** | **686** |

The issuance of demerit points has been increasing over the past four financial years. The most significant increase has been demerit points issued for failure to rectify, which increased by 11.7 per cent in the 2022-2023 financial year. This increase could be related to the QBCC’s goal to ensure work is rectified within the required timeframe.

### **Certifier compliance**

The *Building Act 1975* empowers the QBCC to monitor certifier compliance through audits of building and private certification functions and investigating written complaints about allegations of unsatisfactory conduct or professional misconduct by building certifiers or former building certifiers.

In 2022-2023, the QBCC finalised 227 investigations, consisting of 96 complaints, 109 assessment audits and 22 technical audits.

For the completed investigations, the QBCC issued 14 findings of unsatisfactory certifier conduct, and one additional case of professional misconduct has been referred for disciplinary proceedings. In 2022-2023, 86 cases found the certifier’s conduct to be satisfactory. There were 126 cases dismissed, withdrawn, or not started as the complaint was not properly made.

Through proactive auditing of certifiers, the QBCC has made recommendations to improve certifier performance in 75 instances.

In 2022, AssentTECS, the course provider for “Issuing Development Permits for Building Work”, withdrew their provision of the course. The QBCC provided technical assistance to DEPW on the review to update the course content and components. Additional support was provided to DEPW by the QBCC as a member of the panel to select the new delivery provider.

Through these actions, the mandatory course for any building certifiers seeking development approval endorsement on their building certifier licence (Private Certifier – Class A) will continue to increase the education and compliance by private building certifiers.

### **Proactive building inspections**

The QBCC proactively audits building works under construction to assess compliance with 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 2022-2023, 1,404 site visits or inspections were undertaken with 110 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
* incorrect use of external cladding substrate
* non-compliant waterproofing to external door openings and decks
* non-compliant exterior floor sheeting
* numerous non-compliance issues relating to passive fire installations
* non-compliant installation of fire-separating walls.

Proactive inspections also identified numerous non-payments to the Queensland Home Warranty Scheme (QHWS), recovering more than $43,000 in QHWS insurance premiums. Other regulatory concerns identified on site such as unlicensed contracting, alleged use of non-conforming building products and poor certification practices were referred to the relevant units within the QBCC. Assessment and outcomes of these matters form part of the outcomes for the year for those units.

### **Plumbing complaints, investigations and compliance actions**

The QBCC investigates complaints made about plumbing and/or drainage work in order to minimise risk to public health and safety and the environment. A specialist team of investigators monitor and enforce compliance with the *Plumbing and Drainage Act 2018* (PD Act) and parts of the *Queensland Building and Construction Commission Act 1991* (QBCC Act).

In 2022-2023, 107 investigations were closed, including outstanding investigations carried over from 2021-2022. Table 16 provides details of enforcement actions taken over the course of the financial year.

Table 16: Plumbing compliance actions in 2022-2023

|  |  |
| --- | --- |
| **Compliance action type** | **Number of actions** |
| Disciplinary orders issued to licensees | 2 orders amounting to $3,160.00 |
| Penalty Infringement Notices | 74 notices amounting to $111,987.00 |

The QBCC values the constructive benefits offered through education and engaging with the plumbing and drainage industry. Throughout 2022-2023, the QBCC attended industry-specific forums, training organisations, and active building sites, speaking with plumbers, drainers, and apprentices. This provided an opportunity to share information and receive feedback about the impacts and trends occurring in the trade.

The QBCC took proactive steps to ensure compliance by conducting licence inspections of persons carrying out work associated with plumbing, drainage, and fire protection (water-based). These measures were undertaken to safeguard the community from unlicensed persons.

### **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 2022-2023, there were 109,177 Form 4/4As registered, a 2.1 per cent increase over the previous financial year.

The QBCC conducts an audit program to ensure licensees are adhering to their responsibilities in relation to submitting Form 4/4As when required. In 2022-2023, the QBCC commenced 550 audits of plumbers and drainers, of which 542 were completed during the financial year.

Of these completed audits, 46 per cent were found to be compliant and 19 per cent were non-compliant, with the remainder withdrawn or closed due to the licensee not contracting for work (35 per cent). Of the 102 non-compliant licensees, the majority were referred for a secondary audit to check their future compliance (69 per cent), with 11 per cent receiving education about their obligations and 20 per cent referred to the Plumbing Investigation Unit for investigation and, where necessary, appropriate regulatory actions ranging from warnings, Penalty Infringement Notices and disciplinary actions.

To support the compliance of notifiable work, Queensland Local Governments may conduct physical audits of notifiable work. The QBCC may reimburse Local Governments for conducting audits on up to 5 per cent of Form 4/4As registered in their area each quarter. In 2022-2023, the QBCC made payments to 16 Local Governments for a total value of $1,054,954.81. This is a 10 per cent increase over the previous financial year, when 13 Local Governments sought payment.

### **Pool safety**

Pool safety laws require swimming pools to be registered and have 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 2023, there were 435,079 registered pools and 505 PSIs.

The QBCC approves continuous professional development (CPD) activities for PSIs and allocates CPD points for those activities. The QBCC also investigates complaints and takes disciplinary action against PSIs. In 2022-2023:

* 39 complaints were received regarding the conduct of PSIs
* 32 complaints against PSIs were finalised
* two complaints against PSIs were withdrawn
* five complaints were closed without further investigation when allegations could not be validated
* seven complaints had no grounds for disciplinary action
* 17 investigations established grounds for disciplinary action, which lead to actions 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 2022-2023, 150 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 143 investigations of pool owners, and of those, 65 resulted in issuing of a warning notice and 78 resulted in no further action.

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 2023, 36,762 pool safety certificates were issued in the reporting period which included 29,265 for non-shared pools and 7,497 for shared pools. The QBCC referred 41 properties to Local Governments in 2022-2023.

In 2022-2023, the QBCC published seven educational videos for PSIs on the QBCC’s website, YouTube channel and social media pages. The QBCC also attended three meetings with the Swimming Pool and Spa Association (SPASA) to discuss concerns within the PSI industry and identify specific areas where the QBCC can focus upcoming educational material.

The QBCC worked with Local Government authorities to establish a strategy to collaborate and manage investigations involving joint regulatory powers. This involved meeting with the City of Gold Coast Council Development Compliance Coordinator and corresponding with other Local Government authorities to discuss and clarify issues or concerns. The QBCC also attended eight meetings with the Office of Fair Trading investigators to discuss investigative and engagement methods.

Additionally, the QBCC attended two meetings with the Queensland Rental Accommodation Regulators Group to discuss issues within the industry, regulatory strategies and approaches to compliance and enforcement. Members include various Local Government authorities, Office of Fair Trading, Department of Housing, Electrical Safety Office, and the Residential Tenancies Authority.

### Immersion incident reporting

The QBCC periodically receives reports of immersion incidents involving young children. These reports are provided by Queensland Health, following notification by health professionals including the Queensland Ambulance Service. In 2022-2023, the QBCC received 118 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 to address with the relevant PSI. In 2022-2023 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 2022-2023, key engagement activities included those detailed below:

Face to Face Events and Webinars – QBCC led

* 49 compulsory retention trust training webinar sessions, required under the trust account framework and BIFOLA reforms.
* five trust information sessions were delivered, for current trustees to discuss any issues and show examples of compliant trust records
* four home owner information webinars were delivered providing guidance on the building and renovation process
* three Service Trades Council industry forums included updates on compliance and education activities and notifiable work
* 29 face-to-face presentations were delivered to accountants and licensees on their financial reporting obligations.

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:

* + 16 information sessions to third and fourth-year apprentices at a variety of Registered Training Organisations (RTO) 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 information sessions to Master of Construction International Students at Bond University providing an overview of QBCC's functions
  + one presentation to TAFE Queensland Plumbing Industry Sector Panel and industry representatives on topics including important aspects of the plumbing industry and contribution to TAFE Queensland Plumbing Product Strategy
  + one presentation at the Master Plumbers Association Queensland Plumbing and Gas industry forum, with topics including MFR and project trust accounts
  + six National Association of Women in Construction (NAWIC) ‘Women on Tools’ events and two additional NAWIC-organised events
  + one Master Builders Queensland Sunshine Coast Influencers (Women in Building) Workshop forum presentation providing an overview of the dispute resolution function, the Early Dispute Resolution (EDR) process and options available for contractors via adjudication, and how contractors can effectively engage in the process
  + one Construction Skills Queensland strategic presentation and discussion on trends in construction in the Brisbane region
  + two Bunnings events aimed at trade contractors to provide an overview of the QBCC’s functions, including licensing, the QHWS, compliance and dispute resolution.

Expos

The QBCC also participated in:

* two Brisbane Home Show events which generated more than 722 enquiries
* three Mitre 10 trade expos
* two Bunnings trade expos.

Towards the end of the previous reporting period, the QBCC also ran a public education campaign (from April to June 2022) targeted at both home owners and licensees with the objective of educating customers about QBCC’s functions and powers. Based upon positive independent market research showing the campaign had achieved its objectives, a second burst of the campaign ran from 6 February 2023 until 6 March 2023.

The campaign focused on the importance of using a licensed builder and increased awareness among licensees of their responsibilities, and how QBCC can help them get paid. With the building and construction industry experiencing peak intensity, the QBCC identified the importance of helping home owners avoid unlicensed tradespeople and minimise unlicensed building activity.

The content of phase two of the education campaign remained the same as phase one, however the homeowner market was targeted more heavily than the licensee market during the second phase.

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

* insolvency events - supporting customers through insolvency events with clear communication outlining the support available
* product integrity - urging licensees to remain vigilant about the products they use and providing them with information preventing the use of Non-Conforming Building Products related to their license class
* Minimum Financial Requirements - reminding licensees to complete their mandatory financial reporting to ensure QBCC licensees undertake a financial health check to demonstrate they are financially sustainable
* pool safety - communications aimed at home owners and short-term stay providers outlining the swimming pool safety laws and what to know when building a pool or buying or leasing a property (including short-term accommodation) with a pool
* Home Warranty Insurance - driving awareness of the QHWS and the unique protection offered to Queensland home owners
* payment disputes – raising awareness of how to report issues related to payments or contracts to QBCC.

### Supporting the skills uplift of the building and construction industry

During the 2022-2023 financial year, the QBCC has continued to investigate and understand how best to support licensees and industry stakeholders to keep up with the latest changes to legislation and standards. The QBCC has continued to engage with educational institutions and professional bodies to gauge how we can best provide this information, as well as explore the channels in which information can be provided. This information will be used as a basis to inform future learning and engagement strategies to support a thriving and resilient building and construction industry.

Additionally, we have continued our support of Government in its considerations of whether Compulsory Continuous Professional Development (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 that 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 the QBCC’s desire to deliver our services efficiently and effectively. We have two high-level strategies to help us achieve this:

* **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 1714: Objective 2 performance measures | | | |
|  | **Target** | **Actual** | **Comments\*\*** |
| Percentage of claims fully compensated under the Queensland Home Warranty Scheme | 95% within policy limits | 94.5% | The compensation limit was set in 1999 and has not been indexed for inflation. The percentage of claims fully compensated within policy limits has reduced over time due to inflation in the cost of building work. Increasing compensation limits is being considered as part of the Queensland Home Warranty Scheme review. The QBCC supports the proposal to increase compensation limits. |
| Perception of fairness in decision-making: percentage of survey respondents agree the final decision was fair**\*** | 65% | 64% | [No commentary required.]\*\* |
| Percentage of decisions set aside (within the financial year period) by the Queensland Civil and Administrative Tribunal\* | 7% | 3.8% | The positive variance between the actual, the 2022-23 estimated actual as published in the Service Delivery Statements (SDS) 2023-24 (5 per cent) and the 2022-23 target is due, in part, to the Queensland Civil and Administrative Tribunal (QCAT) being a merits review jurisdiction. QCAT can consider fresh evidence not available to the original decision maker which may result in a decision being set aside. It is therefore difficult to predict the outcome of QCAT review proceedings and some variance is anticipated. |
| Cost of recovering $1.00 of funds owed to creditors\* | $0.70 | $0.43 | The positive variance between the actual and the 2022-23 estimated actual as published in the Service Delivery Statements (SDS) 2023-24 ($0.46) is due to a higher than expected number of monies owed complaints received at the QBCC. After investigations were undertaken, the result was an increase in what was returned to industry participants. Overall, this positively impacts the result. |
| Percentage of early dispute resolution cases finalised within 28 days\* | 80% | 80% | [No commentary required.]\*\* |
| Average number of days to process licence applications\* | 30 days | 24 days | The positive variance between the target and the actual is due to expected challenges around staffing levels, new licensing classes and volume of applications being well managed with an emphasis on minimising delay.  The 24 day figure refers to the mean average. The QBCC is considering a change in methodology for next year as the median may be a more useful measure due to the effect outliers can have on the mean. The median processing time was 16 days. |
| Percentage of owner builder permits approved within 15 working days\* | 90% | 75% | The variance between the actual and target is due to a range of factors including the significant increase (64%) in the owner builder permit applications received since 2020-2021 and some applications lacking the necessary information resulting in 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% | [No commentary required.]\*\* |
| Percentage of insurance claims for defective work assessed and response provided within 35 business days\* | 50% | 19% | The variance between the actual and target is the result of the increasing numbers of non-completion claims, defective work claims and defective work complaints received due to market conditions. The QBCC experienced a 29% increase in the volume of cases received, including a 554% increase for non-completion claims, since 2020-21. The QBCC is responding by investing in additional human resources to address the increased workload. |
| Average processing time for an early dispute resolution case\* | 28 working days | 19 working days | The variance between the actual and the 2022-23 estimated actual as published in the 2023-24 SDS (18 days) was due to the benefits of improved internal processes and efficiency initiatives and an approximately 10% reduction in number of early dispute resolution cases received from previous year. |
| Average approval time for defects claims less than $20,000\* | 35 working days | 62 working days | The variance between the actual and target is the result of the increasing numbers of non-completion claims, defective work claims and defective work complaints received due to market conditions. The QBCC experienced a 29% increase in the volume of cases received, including a 554% increase for non-completion claims, since 2020-21. The QBCC is responding by investing in additional human resources to address the increased workload. |
| Percentage of internal review applicants contacted within 2 business days\* | 95% | 95% | [No commentary required.]\*\* |
| **Strength of stakeholder engagement** | | | |
| Qualitative statement | See Education and Engagement section on page 28. | | |

\* This is a 2022-2023 Service Delivery Statement Service Standard.

\*\* For Service Delivery Statement measures, commentary is provided to explain material variation of 5% between the following two data sets:

* the actual as reported above and the 2022–2023 Estimated actual as published in the 2023-24 SDS (refer https://budget.qld.gov.au/files/Budget\_2023-24\_SDS\_Department\_of\_Energy\_and\_Public\_Works.pdf)
* the actual and target as shown above.

### **Customer Service**

During 2022-2023, the QBCC continued to focus on improving the customer experience by upskilling and developing our people’s knowledge and skills, optimising our digital channels and making it easier for customers to access information and services. By providing regular training, mentoring, and coaching to our people, we have also supported them in their ability to respond appropriately to customer needs during key events such as insolvencies.

The below outlines key initiatives which enabled an improved delivery of services in 2022-2023:

* enhanced functionality and features in myQBCC and migration of legacy systems
* refinement of operational processes to improve efficiency to fulfil our service commitments
* delivery of improved customer-focused training programs for Contact Centre team members
* improved Contact Centre resourcing model to ensure the QBCC has the capacity to manage service requests in a timely manner.

Table 18: Customer Contact Centre statistics

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2019-2020** | **2020-2021** | **2021-22** | **2022-23** |
| **Customer phone calls** | 250,245 | 238,479 | 188,644\* | 151,987 |
| **Customer emails** | 15,217 | 20,683 | 10,761 | 9,540 |

\*In a review of our data, we found that changes to the telephony system implemented in 2021 had resulted in data calculation errors and an incorrectly reported *Customer phone calls* figure for the 2021-2022 period. The correct number of customer calls received 2021-2022 is 188,644 as shown above, not 256,933 as reported previously. The calculation methodology has been reviewed and resolved for the 2022-2023 data reported.

### **Licensing**

The QBCC Act establishes a licensing framework for individuals and companies carrying out building work regulated under the Act. Table 19 shows the number of individuals and companies licensed under the QBCC Act by licence type as at 30 June 2023.

Table 19: QBCC Act licensees by licence type as at 30 June 2023

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Individual** | **Company** | **Total** |
| Builder | 27,729 | 9,490 | 37,219 |
| Builder restricted | 2,031 | 736 | 2,767 |
| Contractor | 41,874 | 12,628 | 54,502 |
| Occupational | 3,181 | N/A | 3,181 |
| **Total** | **74,815** | **22,854** | **97,669** |

In 2022-2023, the QBCC processed 1,592 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 framework for individuals and companies carrying out fire protection work regulated under the Act.

As at 30 June 2023, the QBCC licensed 4,455 companies and individuals to undertake regulated fire protection work. Each licensee may hold one or more license classes across each of the fire protection streams.

Table 20: QBCC Act Fire Protection classes by licence type as at 30 June 2023

| **Licence stream** | **Licence type** | **Licence classes** |
| --- | --- | --- |
| Portables | Contractor/nominee supervisor | 1,111 |
| Occupational | 1,659 |
| Passive | Contractor/nominee  supervisor | 1,487 |
| Occupational | 1,304 |
| Special hazard | Contractor/nominee  supervisor | 466 |
| Occupational | 353 |
| Water-based | Contractor/nominee  supervisor | 1,830 |
| Occupational | 609 |
| Electrical | Contractor/nominee  supervisor | 1,952 |
| Occupational | 3,156 |
| Fire Safety Professional | Contractor/nominee  supervisor | 79 |
| Occupational | 16 |
| **Licence classes issued** | | 14,022 |

### 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.

During 2022-23, there were 3,049 owner builder permits granted by the QBCC.

The QBCC is ensuring that home owners with owner builders permits who are 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
* those engaged by owners 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 2023, the QBCC had 16,686 licensees holding one or more licence types as shown in Table 21.

Table 21: PD Act licences by licence type as at 30 June 2023

|  |  |
| --- | --- |
| **Occupational licence type** | **Classes of licence** |
| Provisional plumber | 925 |
| Provisional drainer | 901 |
| Plumber | 13,913 |
| Drainer | 14,076 |
| Restricted licences | 2,033 |
| **Total** | **31,848** |

### **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.

The QBCC administers the licensing framework for contractors, nominees, site supervisors and workers which applies regardless of the value of the work. Table 22 shows the number of licensees under each stream as at 30 June 2023.

Table 22: Mechanical services licensees by licence type as at 30 June 2023

|  |  |
| --- | --- |
| **Licence type** | **Number of licensees** |
| Medical gas | 341 |
| Mechanical plumbing | 1,592 |
| Air-conditioning and refrigeration | 5,740 |
| **Total** | **7673** |

### **Certifier licensing**

The QBCC administers the granting of certifier licences under the QBCC Act. A certifier licence allows the licensee to assess building applications, decide whether to issue building approvals and inspect and certify building works.

The certifier ensures the building works comply with the building assessment provisions, the Building Act and the building approval. Certifiers can work for Local Government or in private practice.

As at 30 June 2023, there were 484 building certifiers licensed by the QBCC.

### **Queensland Home Warranty Scheme**

The QBCC administers the QHWS that provides insurance cover for residential construction work in Queensland.

During 2022-2023, the QBCC processed 150,164 insurance policies. The breakdown of residential construction work carried out during the period was 82.4 per cent renovations compared to 17.6 per cent new home construction.

A graph of numbers and a number of people

Description automatically generated

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 then eased significantly in 2021-2022, dropping below the five and 10-year average, but remained significantly higher than pre-COVID levels. New builds continued to decline in 2022-2023 with 26,364 contracts notified to the QBCC. The reduction in new builds in 2022-2023 was likely influenced by home building cost inflation and increases in interest rates.

Despite declines compared to 2020-2021, renovation activity remained strong throughout 2021-2022 and 2022-2023.

In 2022-2023, the QBCC received $150.3 million in insurance premiums compared to $142.7 million in 2021-2022. The premium revenue reflects the number and value of contracts which were notified to the QBCC during the financial year. The total value of works notified to the QBCC was over $16 billion for 2022-2023.

The premium payable for a contract for residential construction work increases as the value of the contract increases. Premiums received in 2022-2023 were higher than those received in 2020-2021 and 2021-2022 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.

A graph showing the growth of a premium

Description automatically generated

The QBCC approved a total of $68.6 million in insurance claim costs during 2022-2023. This included $47.5 million for non-completion claims, $17.3 million for defects claims and $3.8 million for subsidence claims.

A graph of a claim approval

Description automatically generated with medium confidence

The increase in non-completion claims approvals in 2022-2023 was primarily caused by six large project home builder collapses over the past two years, including most recently Pivotal Homes Pty Ltd (liquidators appointed 26 May 2022); Oracle Building Corporation Pty Ltd (liquidators appointed 24 August 2022); and PDH Qld Pty Ltd trading as Porter Davis Homes (liquidators appointed 31 March 2023). A number of smaller collapses also contributed to the high claims experience.

The QBCC holds licensees responsible for monies owed as a result of claims made against the QHWS. While most of the claims made against the QHWS are unrecoverable due to builder insolvency, where possible, the QBCC will attempt to recover the money owed. We recovered $4.8 million in 2022-2023 for the QHWS.

The QHWS is a statutory insurance scheme and is not regulated by the Australian Prudential Regulatory Authority (APRA), and therefore is not required to comply with APRA standards. However, to ensure a solid financial framework for its insurance operations, the QBCC has continued to comply with various APRA standards that apply to general insurers to the extent that it is reasonable and prudent for the QBCC to do so. 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 relating to defective work**

The QBCC may be able to help resolve building disputes in relation to defective works between home owners and principal contractors. During 2022-2023, these types of building disputes totalled 6,306, of which 5,344 related to works after construction was completed and 962 which were during the construction process. This represented a decrease of three per cent from 2021-2022 which totalled 6,500 building disputes.

Whilst there has been a three per cent decrease in the number of building disputes in relation to defective works compared to 2021-2022, there was an increase of 15.7 per cent compared to the preceding period of 2020-2021. The increase in these disputes was a result of major insolvencies, weather events in March 2022 and shortages of labour and materials in the building industry.

A graph with numbers and lines

Description automatically generated

\* 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.

During 2022-2023, the QBCC opened 962 EDR cases, with 985 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. There was a decrease of 8.4 per cent in EDR disputes received compared to 2021-2022. A higher number of dispute cases were processed than were received due to improved internal processes and efficiency initiatives.

### **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 2022-2023, 1,111 internal review cases were opened and 1,077 cases closed. The QBCC also processed cases from previous financial years. An additional 277 cases were opened, and 232 cases were closed in comparison to 2021-2022.

As a result of the internal reviews completed during 2022-2023:

* 587 (54.5 per cent) original decisions were upheld, including 208 ‘deemed’ decisions
* 149 (13.8 per cent) original decisions were overturned
* 82 (7.6 per cent) original decisions were varied
* 259 (24 per cent) matters were discontinued, for the reasons described below.

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 (or partially different) outcome to the original decision was reached.

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

The QBCC discontinued 259 matters because:

* 73 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
* applications concerning 50 decisions were withdrawn by the applicant
* 13 applications were closed with no further action taken because of mistakenly referred correspondence taken to be an application
* 117 applications were outside the legislated timeframe and not accepted
* six applications were closed as no original decision had been made and the review applications were therefore premature.

Of the 1,077 review cases closed, 208 resulted in ‘deemed’ decisions (19.3 per cent). A deemed decision occurs where the internal reviewer does not decide the application within the required period; in that circumstance, the internal reviewer is taken to have made an internal review decision at the end of the required period that is the same as the reviewable decision.

As at 30 June 2023, 34 cases remained open. On average, it took 28.4 days to process an internal review case in the reporting period. This includes applications where the applicant was granted further time for a decision to be made.

### **Customer Feedback**

We encourage our customers to provide feedback so that we can continuously improve our business. Customer service complaints were assessed and investigated in accordance with the QBCC Customer Feedback Policy available on the QBCC website. For the 2022-2023 reporting period, the number of suggestions, compliments, and complaints received by the QBCC are shown in Table 23:

Table 23: Customer feedback statistics compared to the previous year

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2020-2021** | **2021-2022** | **2022-2023** | **Percentage change 2022-2023 compared to 2021-2022** |
| **Suggestions** | 625 | 471 | 426 | 9.6% decrease |
| **Compliments** | 130 | 94 | 64 | 31.9% decrease |
| **Service complaints** | 932 | 1,175 | 697 | 40.7% decrease |

### 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 on a regular basis. 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.

The QBCC’s people are also provided with updates on developments in integrity-related policies and processes.

### **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.  In 2023 the QBCC completed a review of its internal policies and procedures to ensure these are compatible with human rights.

The QBCC records human rights complaints within its framework for managing complaints. We received one human rights complaint during the 2022–2023 period,which was resolved through the Queensland Human Rights Commission conciliation process.

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

The QBCC’s people are it’s greatest asset. As 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:

* **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 everyday decisions.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 24: Objective 3 performance measures | | | |
|  | **Target** | **Actual** | **Comments \*** |
| Agency engagement score from the Working for Queensland survey | 85% | 78% | The 2022 staff engagement results saw a slight overall decrease, with 78% of people reporting a positive or neutral rating compared to the 2021 result, which was 79%. Within the overall result, the positive responses increased by 2% to 50%. |
| Agency participation rate in the Working for Queensland survey | Over 90% | 97% | QBCC actively promoted the Working for Queensland survey in 2022. This resulted in an uplift of participation from 2021. |
| Percentage of staff turnover | Up to 15% | 14.5% | The overall turnover rate remains under the benchmark of 15 per cent. The turnover for permanent staff was 9.7 per cent. In 2022-2023, employees left the QBCC for many reasons, such as the conclusion of fixed-term contracts, career opportunities and retirement.  A recent review of datasets found that this measure was incorrectly reported in last year’s annual report. It was reported that the 2021-2022 staff turnover was 14.7%. It should have been reported as 20.9%. |
| 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% | 47% (M) / 53% (F) | QBCC has females appointed to significant senior positions including CEO and Commissioner, and the Chief Building Regulator. |
| Gender pay gap | 10% | 8.96% | QBCC supports reducing the gender pay gap. |
| Lost time injury frequency rate | Less than 2% | 6.07% | The QBCC is undertaking a review of Workplace Health and Safety (WHS) to develop a roadmap to improve safety culture, systems and leadership and address material WHS and psychosocial risks. |
| Average days lost due to absenteeism | 10 days or less | 9.2 | The days lost to absenteeism are less than previous years as the acute impacts of COVID have reduced. |

\* If there is any material variation from the 2022–2023 target and 2022–2023 actual result, commentary is provided to explain variances.

### **Workforce profile**

The first part of Table 25 shows the number of staff as at 30 June 2023, with the remainder of the table 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: Target group data in 2022-2023

|  |  |  |
| --- | --- | --- |
| **Gender** | **Number**  (Headcount) | **Percentage of total workforce**  (Calculated on headcount) |
| Man | 261 | 44% |
| Woman | 335 | 56% |
| Non-binary | 0 | 0 |
| **Diversity Groups** | **Number**  (Headcount) | **Percentage of total workforce**  (Calculated on headcount) |
| Women | 335 | 56% |
| Aboriginal Peoples and Torres Strait Islander Peoples | 10 | 1.7% |
| People with disability | 27 | 4.5% |
| Culturally and Linguistically Diverse – Born overseas | 135 | 22.7% |
| 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) | 63 | 10.6% |
| **Target group data for Women in Leadership Roles** | **Number**  (Headcount) | **Percentage of total Leadership Cohort**  (Calculated on headcount) |
| Senior Officers | 11 (females) | 55% |
| Senior Executive Service and Chief Executives | 7 (females) | 50% |

### **Attracting and retaining our workforce**

In 2022-2023, the QBCC continued its commitment to attract and retain a skilled and capable workforce. Almost all of our people enjoy some element of flexible work arrangements to support work-life outcomes while ensuring delivery for customers.

The QBCC continued to invest in learning and development opportunities for our people with an active calendar of training delivered and accessible to all of QBCC through online webinars and training workshops. Available for all of QBCC was training and development in recruitment and selection for panel members, resilience training, dealing with difficult conversations and successful performance reviews. There was also bespoke training delivered in various operational areas of the organisation to deliver capability uplift in leadership and communication skills.

To provide support through the organisational change processes in 2022-2023, several initiatives were undertaken or commenced. This included a focus on leadership capability with a Leading with Clarity program introduced to support leaders in understanding and delivering key processes to support their people. This will continue over the coming 12 to 18 months. Immersive leadership sessions were provided, which focused on organisational change, psychosocial safety and building teams.

The QBCC also celebrates its people by acknowledging exceptional performance and those who lead by example through a range of avenues including the annual awards ceremony and weekly ‘shout outs’ by the Commissioner.

### **Keeping our people safe and healthy**

Health, safety, and wellbeing are priorities across all parts of our operations at the QBCC. In 2022-2023, the following activities occurred:

* the WHS team worked with the operational units within the organisation to contribute to the development of a ‘Field Safety Manual’ including development of a WHS risk register, safe work method statements for high-risk activities, and supporting processes
* the QBCC facilitated the development of a working from heights procedure, including the delivery of high-risk work training in working at heights to support safer practices for Building Inspectors who conduct roof inspections
* the QBCC began a partnership with HSE Global to support the development of the QBCC WHS Strategy and Roadmap with a particular focus on safety culture, leadership and systems. This will be concluded in Q1 2023-2024. Part of this work included the initiation of a psychosocial risk assessment as part of the implementation of the Managing the risk of psychosocial hazards at work Code of Practice 2022 approved under the *Work Health and Safety Act 2011*
* delivery of an initiative with the Learning and Development Team to commence a pilot for Mental Health First Aid training for leaders
* undertaking a review of the Rehabilitation and Reasonable Adjustment Procedure and providing significant amendments that align with contemporary practice across Government departments and national standards
* providing various wellness and wellbeing programs across the organisation including flu vaccinations, access to our Employee Assistance Program, and holding various sessions including resilience workshops for our people.

### **Keeping our people engaged**

In September 2022, the QBCC participated in the 2022 Working for Queensland (WfQ) survey which is used across Queensland public sector agencies to measure employee perceptions of the workplace climate. Our 2022 staff participation rate was 97 per cent, compared to 85 per cent in 2021. An improvement in employee engagement (positive responses) of two per cent was recorded.

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. Areas of focus include workload management, leadership capability and role clarity including the development of a ‘Leading with clarity’ program, diversity and inclusion items and people process improvements.

### **Professional development and career paths**

The QBCC maintains a Performance Development Framework to guide the development of our people, and ensure the achievement of organisational strategies, business plans and performance outcomes of work teams and individual team 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 2023 and had an 87 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, 19 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 team members were accepted for the Emerging Leaders Program in 2022-2023. Five people have successfully completed the program (one person didn’t complete as they left the QBCC to pursue other career opportunities).

The success of the 2022-2023 program has been confirmed with at least 50 per cent of the program participants having secured opportunities to work in higher level roles to further build skills, an achievement they have attributed to the learning they undertook as part of the Emerging Leaders’ program. Participants have also reported that the program has assisted in providing knowledge and experience in managing teams and increased understanding of operational and strategic methodology which has been converted into obtaining higher level and permanent management positions.

Senior Leadership Team (SLT) members becoming aware of increased capabilities and knowledge across the emerging leaders group has extended to requests for involvement in Governance Review, Strategic Plan and operational groups for improvement and change in the organisation. These outcomes have also been attributed to participation in the Emerging Leader’ program.

The QBCC continues to review and refine this program to ensure it remains contemporary and relevant in the changing work environment.

In 2022-2023, the QBCC’s Learning and Development team developed, organised, and delivered 161 courses (workshops and webinars). These achieved an 88 per cent attendance rate and staff satisfaction for the 2022-2023 year was 91 per cent across the 161 courses delivered.

### **Diversity and inclusion**

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

During 2022-2023 there has been significant focus on promoting and supporting Aboriginal and Torres Strait Islander people with the development of the Innovate RAP, and celebration of culturally significant days and events.

The QBCC also established the Pride network for the LGBTQIA+ community and allies. This is run by our people with Senior Leadership Team sponsorship, to help create a safe and inclusive environment at the QBCC.

We recognised and celebrated a number of events including:

* recognising International Women’s Day with morning teas across the State
* QBCC representation at the National Association of Women in Construction (NAWIC) and presentation of a scholarship to the Australian Institute of Company Directors (AICD) course. The QBCC sponsored the AICD scholarship award after evaluating submissions to a NAWIC member. NAWIC is an Australian, not-for-profit organisation formed in 1995. They are the Peak Body championing the diverse collective of great people doing great work in construction. NAWIC welcomes women in construction, and their allies, from all walks of life, cultures, ages and career stages
* National Reconciliation Week, anniversary of the Uluru Statement from the Heart, National Sorry Day
* Pride Month
* International Day Against Homophobia, Transphobia and Biphobia and Intersex Awareness Day.

### **Reconciliation Action Plan**

The QBCC maintains a Reconciliation Action Plan (RAP) to help close the gap in equity and employment between Aboriginal and Torres Strait Islander, and non-Indigenous Australians, to help build strong relationships and respect with the community we serve, and to create a dynamic and diverse workforce and society.

Initially implementing the Reflect RAP from 2019 onwards, some challenges were experienced, especially in building momentum with intended education and engagement initiatives. These challenges included COVID pandemic-related disruptions and turnover in key senior roles responsible for leading the Reflect RAP project.

The QBCC is now actively focused on the next phase, Innovate, for implementation early in the 2023-2024 reporting period. A full Innovate RAP has been developed, which was under approval review by Reconciliation Australia as at the end of the 2022-2023 reporting period.

The RAP Working Group (RWG) takes the lead role for the QBCC’s development, implementation and reporting phases of the RAP, working together with the leaders and people of the QBCC to achieve meaningful reconciliation. Following a period of pandemic-related disruption, the 2022-2023 period has seen a healthy resurgence of work by the RWG, supported by the QBCC CEO &Commissioner.

Recent actions on key deliverables include:

* completion of a specially commissioned artwork by Shane Mankitya Cook. The artwork showcases nine interlinked and overlapping meeting places (the QBCC office locations in Queensland) as a representation of shared values, working together in unison with the wider community, and building connected and trusting relationships
* inclusion of our people in meaningful activities around 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
* corporate lanyards and wristlets were created for our people, featuring the artwork created for the QBCC
* enhanced Acknowledgement of Country message and practice in all QBCC meetings
* re-establishment of the RAP Working Group with representatives from across the State
* increasing regional involvement within the RAP Working Group and in activities around significant cultural events.

### **Early retirement, redundancy and retrenchment**

During the 2022-2023 period, one employee received a redundancy package at a cost of $158,820.60.

### **Industrial and employee relations**

The QBCC is committed to a positive relationship with the Together Union and our union delegates. Agency Consultative Committee (ACC) meetings were held throughout 2022-2023 and were attended by the Together Union, QBCC union delegates and the QBCC’s management representatives. This included extensive consultation on the QBCC’s Reset program.

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 and 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 26: Objective 4 performance measures | | | | | |
|  | **Target** | | **Actual** | **Comments\*** | |
| Financial management – Achieve budget +/- 5% | See Financial Performance section in the Annual Report on page 61. | | | | |
| Divisions to identify annual budget efficiency savings of 5% | See Financial Performance section in the Annual Report on page 61. | | | | |
| IT services – post release satisfaction | 80% | 89% | | | Digital 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% | 91% | | | Improvements in service desk response processes are positively impacting overall first level response timeframes and resolution. |

\* If there is any material variation from the 2022–2023 target and 2022–2023 actual result, commentary is provided to explain variances.

### **Risk management**

During 2022-2023, the QBCC continued embedding the risk policy, risk management framework and associated tools delivered in the previous year and continues to implement practices aligned with Australian standards (ISO 3100:2018 Risk management – Guidelines) and Queensland Government guidelines (Treasury’s Guide to Risk Management).

Frequent workshops throughout the year to review and monitor strategic and operational risks, supported an uplift in risk knowledge and capability, particularly at more senior levels of the QBCC, further embedding a risk-based decision-making culture across the organisation.

With the establishment of a new QBC Board in December 2022, a comprehensive review of the QBCC’s strategic and emerging risks was undertaken, and a review of QBCC’s Risk Appetite is ongoing.

During 2022-2023 the QBCC continued a review of its suite of policies designed to support the identification, prevention, and management of fraud and corruption. This was 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 mid-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.

The Integrity and Complaints Branch further strengthened its preventative approach during 2022-2023 by issuing proactive all-staff communication and conducting promotional activities to inform our people of how to manage offers of gifts and benefits, remind employees of their obligations in relation to official and confidential information and encourage reporting of wrongdoing.

### **Internal and external audits**

Over the 2022-2023 reporting period, the QBCC’s internal auditors, O’Connor Marsden & Associates, completed an internal audit in the area of Corporate Governance and Assurance and commenced audits related to the Adjudication Registry and the QBCC’s dispute resolution processes.

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

### **Prudent investment management**

The Finance, Audit and Risk Committee is responsible for monitoring the performance of its fund managers, Queensland Investment Corporation and Queensland Treasury Corporation. The Committee monitors performance through advice from the QBCC’s fund managers, the QBCC’s Leadership Team and economic information from other relevant sources. To support the Finance, Audit and Risk Committee in fulfilling its responsibilities, the Insurance Committee reviews the investment strategy applicable to the management of Insurance Fund investable assets.

### **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 2022-2023, we finalised 224 applications under the RTI and IP Acts with 249,428 pages and 342 audio recordings assessed. Of the documents assessed, 221,787 pages were released in full, and 14,900 pages were partially released. There were 315 audio recordings released in full and 10 partially released to QBCC applicants. There were no IP Amendment applications received in 2022-2023. There were also two non-compliant RTI applications that were withdrawn by the applicants.

The QBCC Administrative Access (AA) Policy 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 172 AA requests in 2022-2023, releasing 8,648 pages and one audio recording 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.

Two privacy complaints were received by the QBCC in the reporting period. It was found that the QBCC had inadvertently breached the affected individuals’ privacy in relation to use and disclosure, respectively.

Privacy is recognised as a human right under the Human Rights Act 2019 (Qld) and the QBCC takes its obligations seriously in protecting its customers’ privacy. Any privacy complaint received by the QBCC is thoroughly investigated taking into account the Information Privacy Principles under the Information Privacy Act 2009 (Qld) and the Privacy Commissioner’s guidelines. The complainant is then given a letter clearly outlining the QBCC’s response to the complaint which informs the complainant whether the QBCC identified any breach of the Information Privacy Principles and if so, the steps taken by the QBCC to prevent this from reoccurring. If complainants are not satisfied with the QBCC’s response, they can make a formal complaint to the Privacy Commissioner

The QBCC will invest in resources which will allow us to be more proactive in the privacy sphere - an area that is becoming increasingly challenging in a rapidly expanding digital world.

### **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 2022-2023 reporting period was not required due to overseas travel not being undertaken by any officers of the QBCC.

### **Records management**

The *Public Records Act 2002* and the QBCC’s Information Management Policy mandate the capture, creation, storage and disposal of public records in accordance with Queensland State Archives-approved disposal authorities. The QBCC continues to work with Queensland State Archives to finalise its functional retention and disposal schedule, with completion expected in July 2023.

In meeting its public records governance responsibilities, the QBCC is dedicated to continually improving recordkeeping maturity to support sound business decision-making, effective governance, and accountability. A recordkeeping maturity assessment is completed on an annual basis, in line with recommendations from Queensland State Archives.

Roles and responsibilities for the management of public records are documented in the QBCC’s Information Management Policy and Recordkeeping Guidelines. Mandatory recordkeeping training is provided at induction for new employees, along with mandatory online refresher training no less than every three years, augmented with the delivery of specialist recordkeeping training, as required.

A substantial percentage of records are created and captured electronically, with several initiatives planned to reduce reliance on paper records as the QBCC transitions to more digitally enabled services.

# 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 2023, the QBC Board consisted of seven independent, non-executive members. QBC Board members are appointed by the Governor in Council under the QBCCAct for a three-year term. Current board members were appointed on 1 December 2022.

As the QBCC’s governing body, 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 Government Guide for Members of Queensland Government Boards, Committees and Statutory Authorities.
* the highest levels of ethics and corporate governance.

QBC Board meetings

Ordinary meetings of the QBC Board are held at least 10 times a year. Recognising the need to be flexible and adapt to changing environments and circumstances, the QBC Board can consider routine matters out of session by circular resolution or by way of an extraordinary or special QBC Board meeting where the matter is complex or requires a more fulsome discussion.

### Committee meetings

To facilitate its efficient operation, the QBC Board operates a number of committees.

With the establishment of a new Board on 1 December 2022, a new committee structure was implemented, as shown in Table 27:

Table 27:QBC Board Committees

|  |  |
| --- | --- |
| **Committees established to 30 November 2022** | **Committees established from 15 December 2022** |
| * Finance and Audit Committee (FAC) | * Finance, Audit and Risk Committee (FAR) |
| * Risk Committee (RC) |
| * Insurance Committee (IC) | * Insurance Committee (IC) |
| * People and Culture Committee (PCC) | * Nomination and Remuneration Committee (NAR) |
| * Regulatory and Resolution Committee (RRC) |  |
| * Ex Gratia Payment Decisions Committee (EGPD) | * Ex Gratia Payment Decisions Committee (EGPD) |

Each committee operates to a charter or terms of reference which outline its purpose, duties, responsibilities, membership, authority and meeting requirements.

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

Table 28: QBC Board member attendance and remuneration 2022-2023

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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 fee1** | **Approved sub-committee fees if applicable** | **Actual fees received2** |
| **01 December 2022 – 30 June 2023** | | | | | |
| Chair | Michelle James\* | 2022-23: 14 Board: 7 IC: 2 EGPD: 1 NAR: 2 FAR: 2 | $50,000 pa | N/A | $32,000 |
| Deputy Chair | John Anderson | 2022-23: 9 Board: 6 EGPD: 1 NAR: 2 | $25,000 pa | N/A | $16,000 |
| Member | Robyn Petrou | 2022-23: 11 Board: 7 IC: 2 FAR: 2 | $25,000 pa | N/A | $16,000 |
| Member | Christopher Edwards | 2022-23: 10 Board: 7 IC: 1 FAR: 2 | $25,000 pa | N/A | $16,000 |
| Member | Suzanne Baker | 2022-23: 11 Board: 6 IC: 2 NAR: 1 FAR: 2 | $25,000 pa | N/A | $16,000 |
| Member | Colin Cassidy | 2022-23: 8 Board: 5 NAR: 2 FAR: 1 | $25,000 pa | N/A | $16,000 |
| Member | Meg Frisby**3** | 2022-23: 10 Board: 7 EGPD: 1 NAR: 2 | $25,000 pa | N/A | $15,000 |
| **Remuneration** | | | | | |
| **Position** | **Name** | **Meetings/sessions attendance** | **Approved annual, sessional or daily fee1** | **Approved sub-committee fees if applicable** | **Actual fees received2** |
| **01 July 2022 – 30 November 2022** | | | | | |
| Former Chair | Richard Williams | 2022-23: 14 Board: 6 IC: 2 EGPD: 1 PCC: 1 RRC: 1 RC: 1  FAC:2 | $50,000 pa | N/A | $23,000 |
| Former Deputy Chair  Former Member | Michelle James | 2022-23: 6 Board: 4 IC: 0 EGPD: 1 PCC: 0 RRC: 1  RC: 0 FAC: 0 | $25,000 pa | N/A | $12,000 |
| Former Member | Meg Frisby | 2022-23: 7 Board: 6 EGPD: 0 PCC:0 RRC: 1 | $25,000 pa | N/A | $12,000 |
| Former Member | Lesley Anderson | 2022-23: 9 Board: 4 IC: 2 EGPD: 1 RC: 0  FAC:2 | $25,000 pa | N/A | $ 12,000 |
| Former Member | Andrew Hickman | 2022-23: 6 Board: 6  RRC: 0 | $25,000 pa | N/A | $12,000 |
| Former Member | Jade Ingham | 2022-23: 5 Board: 5  PCC: 0 | $25,000 pa | N/A | $11,000 |
| Former Member | Brett Schimming | 2022-23: 1 Board: 1  IC: 0 PCC: 0 RC: 0  FAC: 0 | $0 pa | N/A | $ 0 |
| Former Member | Robert Schwarten | 2022-23: 6 Board: 5 PCC: 1 | $25,000 pa | N/A | $ 12,000 |
| Former Member | Debra Johnson | 2022-23: 8 Board: 6  PCC: 0 RRC: 0 RC: 2  FAC: 0 | $25,000 pa | N/A | $12,000 |
| Former Member | Cath Brokenborough | 2022: 11 Board: 6  IC: 2 PCC: 1 RC: 2  FAC: 0 | $25,000 pa | N/A | $12,000 |
| No. of scheduled meetings held for each Committee for the period of each Board members tenure.  **Total meetings for the financial year: 29**  QBC Board: 13 RRC: 1  EGPD: 2 FAR: 2 IC: 4 NAR: 2 PCC: 1 RC: 2 FAC: 2 | **Current Board members (1 December 2022 to current)**  Michelle James – 14  John Anderson – 9  Robyn Petrou – 11  Christopher Edwards – 10  Suzanne Baker – 11  Colin Cassidy – 8  Meg Frisby – 10  Total meetings held this period: 14  **Former Board members (01 July 2022 – 30 November 2022):**  Richard Williams – 14  Michelle James – 6  Meg Frisby – 7  Lesley Anderson – 9  Andrew Hickman – 6  Jade Ingham – 5  Brett Schimming – 1  Robert Schwarten – 6  Debra Johnson – 8  Cath Brokenborough – 11  Total meetings held this period: 15 | | | | |
| Total out of pocket expenses | $26,632. Other operational costs totalled $10,677 | | | | |

1 Approved fees do not include superannuation amounts.

2 Actual fees include superannuation amounts

**3** Michelle James and Meg Frisby were members of the former Board and are members of the current Board.

**Finance, Audit and Risk Committee**

Established on 15 December 2022, the Finance, Audit and Risk (FAR) Committee combined the previous Finance and Audit Committee (FAC) and Risk Committee (RC).

The FAR Committee supports the Board by overseeing and providing advice on financial management, audit and risk matters and setting the tone for risk culture through the promotion of open risk discussions and consideration of risk in decision making.

The FAR Committee’s core duties are to:

* provide assurance and assistance to the Board on the accuracy and integrity of the Commission’s financial management and reporting
* review the effectiveness of the QBCC’s internal controls
* oversee the planning, monitoring, and reporting processes of the QBCC’s internal audit control functions so they operate effectively, efficiently, and economically
* oversee external audit findings made by the QBCC’s external auditor
* ensure that the QBCC has appropriate and effective risk management systems in place
* ensure the QBCC has in place appropriate compliance management frameworks, practices and monitoring mechanisms to best ensure that the QBCC complies with its legislative, regulatory and internal policy requirements.

In 2022-2023 the previous Finance and Audit Committee met twice# and membership comprised: Ms Lesley Anderson (Committee Chair), Mr Richard Williams, Mr Brett Schimming and Ms Michelle James.:

In 2022-2023 the previous Risk Committee (RC) met twice# and membership comprised: Ms Debra Johnson (Committee Chair), Mr Richard Williams, Ms Cath Brokenborough and Ms Michelle James.

From December 2022 to the end of this reporting period, the current FAR Committee met twice# and membership comprised: Ms Suzanne Baker (Committee Chair), Ms Michelle James *(ex-officio)*, Ms Robyn Petrou, Mr Colin Cassidy and Mr Christopher Edwards.

**Notes for this section:**

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

**Insurance Committee**

The Insurance Committee reviews, monitors and provides advice to the QBC Board on the performance and issues relating to the QHWS.

The Committee fulfils the following functions:

* review, monitor and report to the Board on the performance of the QHWS, particularly risk profiles for non-completion, defects and subsidence claims
* consider the prevailing economic and environmental conditions and how they impact the QHWS
* consider, develop and implement improvements to the QHWS which benefit consumers, licensees, government, the QBCC and/or other stakeholders
* review and ensure QHWS compliance with the Risk Appetite Statement
* in the context of the QBCC’s voluntary compliance with APRA standards, review and ensure compliance placed on general insurers, with the exception of requirements to report to APRA, and deviations approved by the Board
* review and monitor the Internal Capital Adequacy Assessment Process and capital management for the Insurance Fund, in conjunction where appropriate with the Scheme Actuary
* consider the appropriate investment strategy for the Insurance Fund and provide recommendations to the FAR Committee for inclusion in the Investment Policy
* work with the Board and management to monitor the administration of QHWS claims so that results are achieved efficiently
* review and monitor the operation of the underwriting framework to make sure the QHWS is managed in accordance with actuarially sustainable principles
* review and monitor the Reinsurance Management Strategy and reinsurance arrangements, in conjunction where appropriate with reinsurance brokers and the Scheme Actuary for the QHWS
* review, monitor and report to the Board on the actuarial assessments of the QHWS and on any action required to ensure that the QHWS remains viable and effective
* review and monitor recommendations of the Scheme Actuary, internal audit findings and management responses that relate to the QHWS or the Insurance Fund in conjunction with the FAR Committee.

To 30 November 2022, the previous Insurance Committee met twice and membership comprised: Mr Brett Schimming (Committee Chair), Mr Richard Williams (Acting Committee Chair), Ms Cath Brokenborough; and Ms Lesley Anderson.

From 1 December 2022, the current Insurance Committee met twice and membership comprised: Ms Robyn Petrou (Committee Chair), Ms Suzanne Baker; Mr Christopher Edwards and Ms Michelle James *(ex-officio)*.

**Nomination and Remuneration Committee**

Established on 15 December 2022, the Nomination and Remuneration (NAR) Committee replaced the People and Culture Committee (PCC).

The Committee fulfils the following functions:

* make recommendations to the Board on the appointment of Board members to Board committees, either as ordinary members or as a Committee chairperson
* provide oversight of the recruitment and appointment of permanent senior leadership roles in line with the approved Board policy for senior leadership recruitment
* lead and facilitate the annual performance evaluation and review process of the Board’s performance and oversee the outcome and any reporting to the Minister that may be required
* consider the overall mix of skills, knowledge and experience of the current Board and recommend to the Board, induction, training and the development of skills for members
* review the performance results of the Commissioner and recommend the performance evaluation, remuneration and financial incentive outcomes to the Board
* monitor the performance results, development and remuneration of SLT members
* review and make recommendations to the Board on the effectiveness of current and proposed changes to the remuneration policy, other executive benefits, performance evaluation framework, recruitment and appointment processes for the Commissioner and SLT
* monitor any other matters related to nomination and remuneration such as gender pay gap, reconciliation, diversity and inclusion or as requested by the Board
* monitor any significant changes in broader remuneration policies for the QBCC which are material and outside of the existing industrial frameworks
* provide oversight of succession plans for nominated statutory roles, for the Commissioner and SLT members reporting directly to the Commissioner
* review and recommend any changes to the Board director induction program
* review the effectiveness of the board’s conflicts of interest, declaration of interests and recommend changes to these items to the Board.

From 1 December 2022, the current NAR Committee met twice and membership comprises: Mr Colin Cassidy (Committee Chair), Ms Michelle James *(ex-officio)*, Mr John Anderson and Ms Meg Frisby.

The People and Culture (PCC) Committee last met on 9 August 2022. The Committee reviewed, monitored and provided advice to the QBC Board on appropriate people and culture strategies and policies consistent with business requirements. The Committee also embedded a culture of accountability, participation, customers and community, creativity, delivering value and safety.

To 30 November 2022, the PCC Committee met once and membership comprised: Ms Cath Brokenborough(Committee Chair), Ms Jade Ingham, Mr Brett Schimming and Mr Richard Williams.

From 1 December 2022, the matters previously considered by this Committee are now discussed at the Nomination and Remuneration Committee or directly by the QBC Board.

**Ex Gratia Payment Decisions Committee**

The Ex Gratia Payment Decisions (EGPD) Committee was established to oversee and determine the making of ex gratia payments in line with the QBCC’s procedure for ex gratia compensation payments for defective administration.

The Committee fulfils the following functions:

* approve (in whole or in part), or refuse recommendations made by the Commission regarding the making of ex gratia payments, whether in full or in part, to an external party
* report to the Board on decisions made under the Commission’s recommendation for making or declining ex gratia payments
* review procedures and provide guidance to the Commission in matters where the committee sees fit, including effecting continuous improvement to mitigate the future likelihood of defective administration
* suggest improvements to ensure the proper, effective, and efficient performance of the Commission’s functions.

To 30 November 2022, the EGPC Committee met once and membership comprised: Mr Richard Williams (Committee Chair), Ms Michelle James and Ms Lesley Anderson.

From 1 December, the EGPD Committee met once and membership comprises: Meg Frisby (Committee Chair), Ms Michelle James and Mr John Anderson.

**Regulatory and Resolution Committee**

Until 30 November 2022, the Regulatory and Resolution Committee (RRC) supported the QBC Board by overseeing and advising on the QBCC’s licensing regulatory framework and systems, including:

* 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.

The Committee fulfilled the following functions:

* advise the Board on licensing requirements, issues and trends
* monitor, review and report to the Board on the effectiveness of the regulatory, technical, legal and adjudication registry divisions in increasing compliance with legislative obligations within the Commission's jurisdiction
* advise the board on the effectiveness of industry education
* oversee and make recommendations to the Board regarding the legislation administrated by QBCC and proposed government policy which may affect this
* make recommendations for reform to improve contractor financial and management practices, construction practices and the use of appropriate products
* provide leadership, set the strategic objectives and oversee management's performance in the area of compliance and enforcement, key investigations, legal matters and audits of buildings under construction
* make recommendations for strategic reform to improve QBCC's delivery of the QBCC Regulatory Strategy 2020-2024
* review, monitor and report to the Board on appropriate dispute resolution mechanisms and processes
* identify opportunities for reforms in licensing, dispute and compliance mechanisms
* review and make recommendations to improve contractual, construction and financial practices in the building and construction industry.

To 20 November 2022, the Committee met once and membership comprised: Ms Michelle James (Committee Chair), Mr Richard Williams, Mr Robert Schwarten, Mr Andrew Hickman, Ms Meg Frisby, and Ms Debra Johnson.

From 1 December 2022, the matters previously considered by the RRC have been reported directly to the QBC Board.

**Additional Advisory and Industry Committees/Councils:**

**Industry Advisory Committee**

The Industry Advisory Committee (IAC) was established in April 2023 to provide observations, strategic advice and guidance to the Board in relation to matters affecting the building and construction industry.

The role of the Committee is to provide a forum for the Board to formally engage with the building and construction industry on current and emerging industry activities.

The Committee provides the following functions:

* industry expertise on issues relating to the building and construction industry
* advice on emerging risks and trends affecting the building and construction industry
* matters relevant to the sector
* promoting the QBCC’s regulatory activities.

The Industry Advisory Committee is chaired by Mr John Anderson as the QBC Board representative and supported by Ms Angela Masson, Deputy IAC Chair, in her capacity as the QBCC Chief Building Regulator. The committee met twice in the 2022-2023 period since being established and is attended by members from a range of disciplines and specialties across the industry.

### 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 in effectively and efficiently performing the Commissioner’s functions under Part 2, Divisions 1 to 7 of the PD Act
5. establishing other panels to assist the Council in effectively and efficiently performing 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 2022-2023, in accordance with its functions under the PD Act, the Council:

* delivered industry forums in Townsville, Rockhampton, Warwick and Mackay
* submitted the On-site Sewage Treatment Panel’s Report to the Minister for consideration
* conducted a survey of licensees to identify industry trends and issues
* engaged with the real estate industry and developed communications to inform real estate agents about plumbing compliance matters
* distributed flyers to retailers to raise awareness of the importance of using a licensed plumber to perform plumbing work and the need for plumbers to register a Form 4 when undertaking notifiable work
* reported to the Minister about the proposition to introduce a restricted water plumber licence for pump servicing.

A summary of attendance of Service Trade Council members at the Council meetings is set out in Table 29 below:

Table 29: Service Trades Council member attendance and remuneration 2022-2023

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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** | | | | | |
| Position5 | Name | Meetings/sessions attendance | Approved annual, sessional or daily fee | Approved sub-committee fees if applicable | Actual fees received6 |
| Chair | Penny Cornah | 7 | N/A | N/A | $0 |
| Deputy Chair | Janet Cumming7 | 2 | N/A | N/A | $0 |
| Deputy Chair | Mary Morrison8 | 6 | N/A | N/A | $0 |
| Member | Michelle Kennedy | 5 | N/A | N/A | $0 |
| Member | Greg Moore | 3 | N/A | N/A | $0 |
| Member | Anne Neuendorf | 7 | N/A | N/A | $0 |
| Member | Gary O’Halloran | 1 | N/A | N/A | $0 |
| Member | Angela Olsen9 | 5 | N/A | N/A | $0 |
| Member | Adrian Shackleton10 | 3 | N/A | N/A | $0 |
| Member | Sharon Simmers | 3 | N/A | N/A | $0 |
| Member | Geoff Woodall | 6 | N/A | N/A | $0 |
| Member | Assistant Commissioner, Service Trades and Regulatory, QBCC | 4 | N/A | N/A | $0 |
| No. of scheduled meetings/sessions | 7 | | | | |
| Total out of pocket expenses | $0. Other operational costs totalled $30,578. | | | | |

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

6 Actual fees include superannuation amounts

7 Member resigned in November 2022

8 Member commenced as Deputy Chair in February 2023, was previously a Deputy Member

9 Member resigned in June 2023

10 Member resigned in April 2023

### 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 2022-2023 to discuss and approve a range of strategic and operational matters with the purpose of achieving the objectives set out in the organisation’s strategic and operational plans.

### Corrupt conduct and public interest disclosures

The QBCC strives for the highest levels of integrity and takes seriously its legislative and ethical responsibilities as a part of the public sector.

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 49 conduct cases received, suspected corrupt conduct was identified in seven cases and two were subsequently closed. These seven cases were referred to the Crime and Corruption Commission for their independent assessment.Twelve cases involved employees making public interest disclosures.

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 to the QBCC 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

QBCC Governance Review 2022 and Statement of Expectations

In November 2021, DEPW commissioned an independent review of the governance arrangements of the QBCC to ensure it was contemporary and fit for purpose.

The QBCC Governance Review 2022 was released in May 2022 and included 17 recommendations with 77 corresponding actions. The Government’s response, released in June 2022, supported all the recommendations in full or in principle, whilst noting that many of the specific actions are complex and will require detailed analysis of the costs and benefits prior to implementation and/or adoption.

The QBCC is progressing the implementation of the recommendations and progress is reported through the Government’s Interdepartmental Steering Committee which is chaired by the Director-General of DEPW, and comprises the QBC Board Chair, the QBCC CEO & Commissioner, and other government representatives. Updates on progress are publicly available, including the 90-day report card published on 6 October 2022 and the first six-month implementation report published on 22 May 2023, detailing progress up to 31 March 2023.

The QBCC Governance Review recommended that the Government develop a Statement of Expectations (SoE) to provide clear guidance to the QBCC on its strategic priorities, emerging risks, engagement philosophy, performance and conduct. On 27 September 2022, the Minister for Energy, Renewables and Hydrogen, and Minister for Public Works and Procurement, the Honourable Mick De Brenni provided this SoE to the QBC Board Chair. The QBCC prepared a Statement of Intent (SoI) in response, which was provided to the Minister for Energy, Renewables and Hydrogen, and Minister for Public Works and Procurement on 3 July 2023. The SoI sits alongside the organisation’s new Strategic Plan, which outlines how these expectations will be met. The QBCC will publicly report on progress against the SoI on a quarterly basis.

The QBCC continues to focus on its regulatory task. In addition, and to support improved outcomes in this area, the organisation has made significant progress against the following initiatives as outlined below:

* Mediation and Conciliation Pilot Service
* Structural Realignment
* Digital Services Business Case

### Mediation and Conciliation Pilot Service

The QBCC’s ability to effectively respond to issues relating to building disputes, particularly residential, is critical.  The QBCC’s statutory remit extends to ‘providing remedies for defective building work’ and more than 5,000 consumers seek help from the regulator each year to navigate issues relating to building disputes.

During 2023, the QBCC established an internal working group to investigate different approaches to delivering the outcomes for the QBCC Governance Review report Recommendation 2 – *Establish an independent, quarantined Mediation, Resolution and Review Unit within the QBCC*. The QBCC engaged broadly with conciliation and mediation services run by various government bodies across Australia. Using a collaborative approach enabled the incorporation of learnings from existing successful frameworks into the QBCC’s Mediation and Conciliation Service design.

Following the development of a business case, the QBCC was provided with government support to initiate a pilot to implement a new type of dispute resolution service with support from external, professional conciliators. This service approach aims to assist in resolving building disputes as quickly and practically as possible.

The pilot service will provide a more nuanced and tailored approach to dispute resolution, reducing the burden on formal adjudicative mechanisms and contributing to a more agile and responsive regulatory environment. The QBCC aims to launch this new service in late 2023, serving as proof of concept to ensure the new service adds value for homeowners, contractors, and government.

### Structural realignment

A significant initiative implemented by the QBCC during 2022-2023 was a structural realignment as part of the Governance Review Recommendation 4, action 4.1 - *Undertake a structural realignment within the QBCC that supports an outcomes-focused regulator.*

Structural enhancements were confirmed through the QBCC Governance Review 2022 as one of the necessary elements for the QBCC to become an outcomes-focused regulator and to better recognise the technical skills of its workforce. The desired outcomes of the realignment included supporting enhanced collaboration across the QBCC, streamlining customer interactions, and creating more clarity around our functions and purpose.

The QBCC began the comprehensive structural realignment process in September 2022, with the development of the revised structure completed across four phases, prior to the launch on 3 July 2023.

* Phase 1 Functional Realignment

Development of a functional structure identifying how work functions are grouped to provide better integration between teams and functions, avoiding duplication of effort, increasing efficiencies, and freeing up resources.

* Phase 2 Detailed Organisational Structure

Development of a detailed organisation design showing all roles and highlighting changes to any existing roles.

* Phase 3 Implementation Planning

Development of a robust implementation plan setting the QBCC up for success as it transitions into its realigned structure, focusing on foundational services (to ensure readiness across the corporate services systems of Human Resources, Finance and Information Technology) and people transition and change activities.

* Phase 4 Preparation activities  
  A whole-of-organisation effort implementing activities across foundational services, people transition and change activities, ready for the successful launch of the new structure on 3 July 2023.

During each phase, extensive communication and rigorous and continued consultation was undertaken with QBCC employees, the Together Union, union delegates and key stakeholders. Feedback received during the consultation periods was reviewed with changes adopted where appropriate prior to structural decisions being made.

Following the launch on 3 July 2023, further implementation activities to support the realigned structure will occur in the first three months of the next financial year. An implementation review is targeted for completion within six months.

### Digital Services Business Case

The QBCC Governance Review report outlined another key action, Recommendation 7 - *Invest in an integrated information management system that is contemporary, fit-for-purpose and aligns with the organisation’s functions.*

In response to the recommendation, the QBCC developed a Digital Services Business Case concentrating on driving transformation of the QBCC into an efficient and effective outcomes focused, insights-driven regulator, outlining comprehensive plans over three horizons.

* **Horizon 1** - establishment phase (18 months, six of which had elapsed during the 2022-2023 reporting year) that builds foundational capability in digital services
* **Horizon 2** - extension phase (18 months) that builds on the foundation to significantly extend digital services capability
* **Horizon 3** – (post three years) continuous improvement phase.

The business case outlines measurable benefits and opportunities:

* customers see our services as easy to use and comply with, achieving time savings, increased satisfaction, and higher compliance rates
* new insights through accessible, trusted and high-quality data that improves decision-making and enables services to be better targeted
* improved efficiency through automation to have more transaction options available through more efficient digital channels
* employees have a higher level of motivation and engagement, and are better skilled, leading to higher levels of retention
* increased agility to respond to customer demands through integrated digital platforms, lowering IT risks
* rapid innovation adoption through a performance culture of continuous incremental process improvements and faster delivery.

The Government confirmed their investment into QBCC’s Digital Services Business Case and have provided initial funding for 2023-2024 Digital Portfolio to meet Horizon 1 outcomes.

# **Financial Performance**

The following pages provide details around the QBCC’s financial performance in 2022-2023.

## Summary of financial performance

The QBCC returned a surplus of $19.52 million in 2022-2023 and has a net asset position of $178.14 million.

Total income was $359.73 million, 13.28 per cent higher than 2021-2022. The reason for the increase from 2021-2022 to 2022-2023 relates to the change in fair value of investments which is dependent on the performance of investment markets.

Total expenditure was $340.21 million, 3.92 per cent less than 2021-2022. This decrease is primarily due to the stabilisation of inflationary pressures on the Queensland residential building industry and the impact on the provisions for future claims under the Queensland Home Warranty Scheme.

**The QBCC financial statements can be found in the PDF version of the Annual Report 2022-2023**

# Glossary

|  |  |
| --- | --- |
| AA | Administrative Access |
| APRA | Australian Prudential Regulatory Authority |
| ARRs | Annual Report Requirements for Queensland Government agencies |
| ATO | Australian Taxation Office |
| 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* |
| FPMS | Financial and Performance Management Standard 2019 |
| FTE | Full-time equivalent |
| IP Act | *Information Privacy Act 2009* |
| IRU | Internal Review Unit |
| MFR | Minimum Financial Requirements |
| 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* |
| QCAT | Queensland Civil and Administrative Tribunal |
| QHWS | Queensland Home Warranty Scheme |
| RAP | Reconciliation Action Plan |
| RTI Act | *Right to Information Act 2009* |
| SARAS | Study and Research Assistance Scheme |
| SDS | Service Delivery Statements |
| WHS | Workplace Health and Safety |
| WHSQ | Workplace Health and Safety Queensland |

# Index of Tables

Table 1: Objective 1 performance measures 14

Table 2: Number of valid adjudication applications received for 2022-2023 17

Table 3: Adjudication claimed amount for 2022-2023 18

Table 4: Adjudicator registrations and renewal applications for 2022-2023 18

Table 5: Number of adjudication decisions released by registered adjudicators in 2022-2023 18

Table 6: Adjudication decisions released by registered adjudicators in 2022-2023 18

Table 7: Total of adjudication applications lodged and amounts awarded by adjudication decisions released in 2022-2023 – broken down by region 19

Table 8: Average number of business days from application to decision in 2022-2023 19

Table 9: Adjudication application fees in 2022-2023 19

Table 10: Average adjudicator fee as a percentage of the average total claimed amount in 2022-2023 20

Table 11: Activities pertaining to the 2022-2023 CPD year 21

Table 12: Licences suspended and cancelled under section 48 of the QBCC Act in 2022-2023 21

Table 13: Number of investigations opened and closed - top five offences 24

Table 14: Contractual investigations activities in 2022-2023 25

Table 15: Demerit points issued to contractors 25

Table 16: Plumbing compliance actions in 2022-2023 26

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 2023 33

Table 20: QBCC Act Fire Protection classes by licence type as at 30 June 2023 34

Table 21: PD Act licences by licence type as at 30 June 2023 35

Table 22: Mechanical services licensees by licence type as at 30 June 2023 35

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

Table 24: Objective 3 performance measures 41

Table 25: Target group data in 2022-2023 42

Table 26: Objective 4 performance measures 46

Table 27:QBC Board Committees 50

Table 28: QBC Board member attendance and remuneration 2022-2023 51

Table 29: Service Trades Council member attendance and remuneration 2022-2023 57

# 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  114 |
| * **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 | 13-39 |
| * **Agency service areas and service standards** | ARRs – section 11.3 | 13-39 |
| **Financial performance** | * **Summary of financial performance** | ARRs – section 12.1 | 51 |
| **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 | 41-43,48 |
| * **Public Sector Ethics** | *Public Sector Ethics Act 1994*  ARRs – section 13.4 | 32 |
| * **Human Rights** | *Human Rights Act 2019*  ARRs – section 13.5 | 32 |
| * **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 | 38 |
| * **Audit committee** | ARRs – section 14.2 | 44 |
| * **Internal audit** | ARRs – section 14.3 | 44 |
| * **External scrutiny** | ARRs – section 14.4 | 49 |
| * **Information systems and recordkeeping** | ARRs – section 14.5 | 39 |
| * **Information Security attestation** | ARRs – section 14.6 | Not applicable |
| **Governance – human resources** | * **Strategic workforce planning and performance** | ARRs – section 15.1 | 34-36 |
| * **Early retirement, redundancy and retrenchment** | Directive No.04/18 *Early Retirement, Redundancy and Retrenchment*  ARRs – section 15.2 | 36 |
| **Open Data** | * **Statement advising publication of information** | ARRs – section 16 | 38 |
| * **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 | 110 |
| * **Independent Auditor’s Report** | FAA – section 62  FPMS – section 46  ARRs – section 17.2 | 111 |

ARRs Annual Report Requirements for Queensland Government agencies

FAA *Financial Accountability Act 2009*

FPMS Financial and Performance Management Standard 2019

\* Page numbers shown correspond with the PDF version of the Annual Report 2022-2023.