

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

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- 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