

## 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 17: 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.

TABLE 17: OBJECTIVE 2 PERFORMANCE MEASURES

	TARGET	ACTUAL	COMMENTS**
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.]**
<b>STRENGTH OF STAKEHOLDER ENGAGEMENT</b>			
QUALITATIVE STATEMENT	See Education and Engagement section on page 24.		

\* 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](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	2021-2022	2022-2023
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
<b>TOTAL</b>	<b>74,815</b>	<b>22,854</b>	<b>97,669</b>

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
<b>LICENCE CLASSES ISSUED</b>		<b>14,022</b>

## 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
<b>TOTAL</b>	<b>31,848</b>

## 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
<b>TOTAL</b>	<b>7673</b>

## 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.

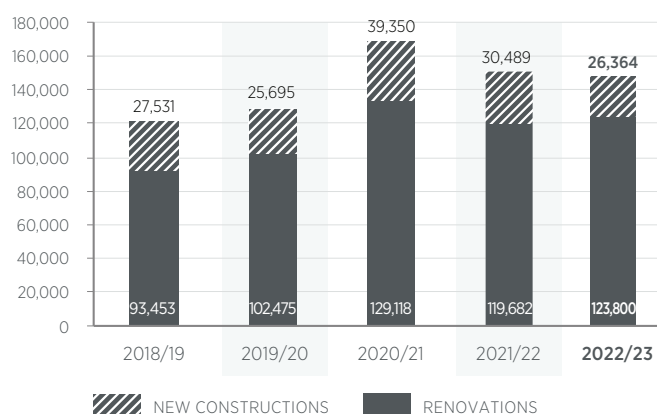
As at 30 June 2023, there were 484 building certifiers licensed by the QBCC.

## 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.

### NUMBER OF POLICIES ISSUED OVER THE PAST 5 YEARS



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.

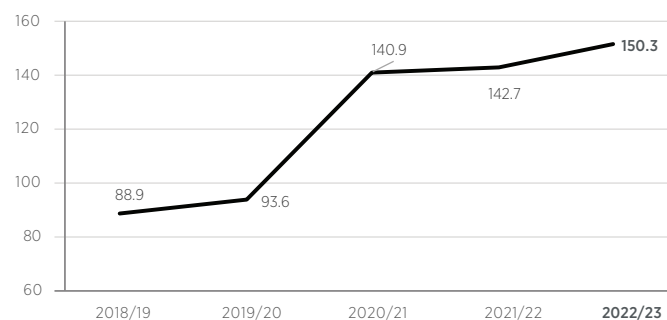
New build numbers then eased significantly in 2021-2022, dropping below the five and 10-year average, but remained significantly higher than pre-COVID levels. New builds continued to decline in 2022-2023 with 26,364 contracts notified to the QBCC. The reduction in new builds in 2022-2023 was likely influenced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

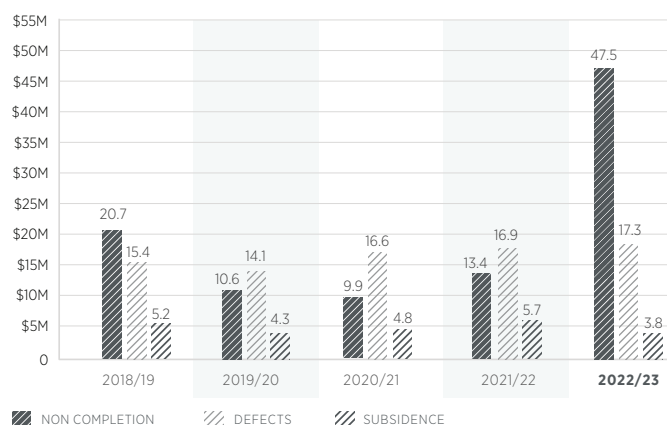
The premium payable for a contract for residential construction work increases as the value of the contract increases. Premiums received in 2022-2023 were higher than those received in 2020-2021 and 2021-2022 despite lower policy numbers due to the impact of home building cost inflation on contract values for new builds, and to a lesser extent renovations.

### INSURANCE PREMIUMS (\$M)



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.

### INSURANCE CLAIM APPROVALS ISSUED OVER THE PAST 5 YEARS



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.

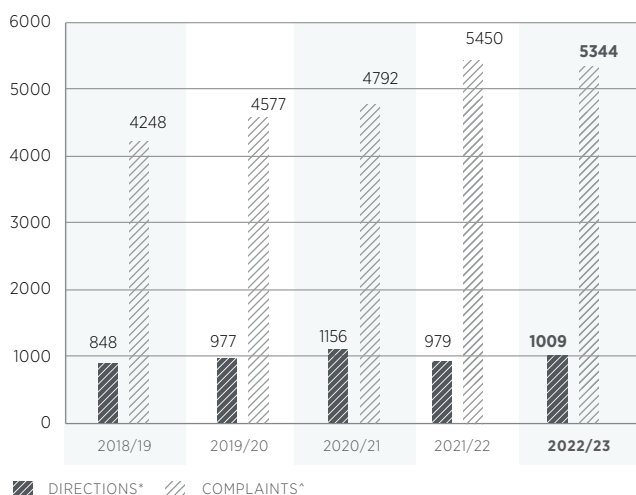
The QHWS is a statutory insurance scheme and is not regulated by the Australian Prudential Regulatory Authority (APRA), and therefore is not required to comply with APRA standards. However, to ensure a solid financial framework for its insurance operations, the QBCC has continued to comply with various 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.

### COMPLAINTS AND DIRECTIONS ISSUED OVER THE PAST 5 YEARS



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

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

## EARLY DISPUTE RESOLUTION

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

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.