



Minister for Energy, Renewables and Hydrogen  
Minister for Public Works and Procurement

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Dear Mr Williams

**STATEMENT OF EXPECTATIONS FOR QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION – INITIAL YEAR**

I am pleased to provide you with this Statement of Expectations (SOE) for the Queensland Building and Construction Commission (QBCC). This Statement of Expectations is in accordance with Recommendation 13.6 of the QBCC Governance Review.

This SOE sets out my direction to the QBCC on your strategic priorities, emerging risks, engagement philosophy, performance and conduct. My expectation is that the QBCC will act on this SOE as a priority and establish an improved reputation as an outcomes-focused body.

These expectations relate to the QBCC's roles and responsibilities, relationship with government, transparency, and accountability, as well as performance.

The SOE applies for 12 months from the date of issue, unless otherwise amended by me.

I acknowledge the QBCC performs critical functions and its dedicated officers help keep Queenslanders safe in the buildings that they work, live, and play in. The significant efforts and good work performed by the dedicated QBCC staff members, helps maintain professional standards in the building and construction industry, which promotes investment and consumer confidence.

Due to various market conditions prevailing in the building and construction industry, it is under stress. The combined impacts including the supply chain and labour interruptions caused by the COVID-19 pandemic, global conflict in particular in Ukraine, repeated adverse climatic conditions of La Nina, and the pandemic stimulus measures, mean the industry faces significant challenges and needs to be supported to remain sustainable.

**Ministerial responsibilities**

As the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, I am responsible for administering the:

- *Building Act 1975* (Building Act)
- Building Regulation 2021 (BR)
- *Building Industry Fairness (Security of Payment) Act 2017* (BIF Act)
- Building Industry Fairness (Security of Payment) Regulation 2018 (BIF Regulation)

- *Plumbing and Drainage Act 2018* (PD Act)
- Plumbing and Drainage Regulation 2019 (PDR)
- *Queensland Building and Construction Commission Act 1991* (QBCC Act)
- Queensland Building and Construction Commission Regulation 2018 (QBCC Regulation)
- Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018 (MFR Regulation).

This SOE should be read in conjunction with, and in the context of, the objectives of this legislation, the QBCC's functions and powers under these Acts and regulations, and the Queensland Government's Queensland Building Plan (QBP) and other relevant government commitments.

### **Government reform agenda**

The Queensland Government is committed to working with industry and consumer representatives on the Ministerial Construction Council to ensure the building and construction industry improves in respect of safety, fairness, and sustainability. The reforms outlined in the Queensland Building Plan (QBP) outline the strategy of Government and its partners in this respect. These reforms are designed to foster confidence in the industry, create job opportunities, and strengthen the Queensland economy.

The Department of Energy and Public Works (EPW/the department) supports the Queensland Government through its policy and legislation development responsibilities, including consultation, briefings and processes to progress the government's policies, such as the QBP. These regulatory reforms are underpinned by a strong regulatory framework which relies on an independent, impartial and effective regulator.

The QBCC, as the independent industry regulator, is responsible for the compliance and enforcement action permitted under the legislation as well as maintaining professional standards and the safety of Queenslanders through its licensing and education functions. As Queensland's independent regulator and through its engagement with other regulators, the QBCC is well placed to provide evidence and information to EPW to support the government's decision-making processes regarding policy and legislation.

As an independent regulator, the QBCC must ensure it performs its functions impartially and consistently and will implement frameworks, including a precedent register and highly effective staff procedures and training, to ensure this is the case.

The QBCC will inform Government of the outcomes of its regulatory activities and work collaboratively with EPW to ensure the department and I are well informed about the impacts of government reforms on the industry and/or operation of the QBCC. It is understood that stakeholders may from time to time raise matters relating to policy or legislation, and it is expected these will be referred to the department.

The QBCC will assist to implement the Government's policy reform agenda, including implementation of the QBP reforms and Government's response to the 2022 QBCC Governance Review Report (Review Report).

The Queensland Government has been supporting the QBCC to perform its operational activities by making appropriation funding available when required. It is acknowledged that some of the more complex recommendations in the 2022 QBCC Governance Review Report would require capital investment such as the recommended investment in an integrated information management system.



It is acknowledged the QBCC's delivery of services and implementation of reforms, as outlined in this SOE, is also reliant upon funding being available to perform these functions and, in some circumstances, government processes. The Government has committed to preparing business cases for many actions in the QBCC Governance Review 2022 Report (Review Report), which will assist in informing government decisions about potential reforms and any financial implications, including the impact on QBCC resourcing.

### **Interaction between Minister, the department and the QBCC**

The QBCC will work with EPW, who will establish a formal policy and legislative protocol to manage interactions between the Minister, the department and the QBCC, noting the QBCC plays a critical role in ensuring the Government is well placed to respond promptly to issues impacting the building and construction industry. This includes supporting and advising the Government and EPW on matters impacting the building and construction industry and the performance of its regulatory functions.

I intend to meet with the Queensland Building and Construction (QBC) Board Chair and QBCC CEO and Commissioner at least quarterly to discuss the QBCC's performance and matters raised in this SOE.

I expect regular engagement to occur between the QBCC and EPW at a strategic, tactical, and operational level and for this engagement to be formalised through the abovementioned protocol, as recommended in the Review Report. This engagement should support open and transparent information sharing about emerging issues and matters impacting the performance of the regulator's functions. For example, EPW will consult the QBCC about policy reforms and the QBCC will provide information to EPW about the impacts of policy reforms on the building and construction industry.

To be clear, whilst my department will engage with the QBCC about policy reform, once Government has determined such policy, it is to be implemented in accordance with the Government's intent and should the QBCC require clarification or interpretation, that is to be provided in accordance with the Government's intent as determined by EPW.

The QBCC will provide advice, information and evidence-based feedback to me and EPW to assist in ensuring the legislative framework performs as intended. Further the QBCC will provide data and information to EPW to inform briefings and executive government documents used to support deliberations about the QBCC funding needs, to ensure the effective operation of QBCC.

It is the responsibility of the QBCC to proactively manage these obligations with respect to reform implementation and it should ensure that demonstrable activity in that regard is visible to licensees and consumers.

### **Strategic priorities to implement QBCC's mandate, purpose and vision for the building and construction industry**

The QBCC will develop clear and consistent priorities to implement its mandate, purpose and vision for the building and construction industry as well as continuing to promote a thriving and resilient building and construction industry that inspires confidence, and supports sustainable social, environmental, and economic outcomes and benefits for Queensland.

The QBCC will enhance its customer-focused approach to stakeholder engagement to ensure strategic priorities are contemporary and responsive to current and emerging risks and environmental challenges within the building and construction industry. This stakeholder engagement should be focused on the QBCC's independent regulatory functions.

## **Emerging risks in the building and construction industry**

The QBCC collects a significant amount of data and information, and it is expected this will be used to identify emerging trends and target sectoral risk. The risk-based and data informed methodology will guide delivery of the QBCC's operations and regulatory approach. Through the use of data-driven analysis, it is expected that the regulator can more accurately identify emerging risks for the building and construction industry and improve regulatory outcomes for industry and consumers more broadly.

Initially, I would like to see improvements in how existing data is analysed and used to enhance the organisation's regulatory oversight of the industry. Where practicable, the QBCC will proactively identify and monitor insights, trends, and data to detect and respond to emerging risks in the sector.

Priority regulatory activities for the QBCC are to continue to:

- actively monitor compliance with security of payments legislation, including the project trust account framework
- improve building occupant safety, by continuing work regarding combustible cladding action from the identification phase and action that may be required of it during mitigation and rectification phases, as well as for other unsafe building products
- enhance the proactive examination of licensees that pose red flags with respect to their financial position in order to protect sub-contractors and consumers
- strengthen and where appropriate promote, proactive compliance activities across key risk areas of the National Construction Code.

I also expect the QBCC to establish performance measures that can demonstrate achievement of the above expectations and to report on the outcomes of these activities.

## **Performance**

Government along with all Queenslanders expect government agencies to openly report the outcomes of performance and to operate in a fiscally responsible manner.

The QBCC as an independent statutory agency, is accountable to the Queensland Government, Parliament, and ultimately the industry and public, through Ministers, the Parliamentary Committee process, and the tabling of its Annual Report.

### Financial performance

Acknowledging the QBCC is funded through the prescribed fees set by government, the QBCC Board as the governing body, will ensure the QBCC's operations are carried out efficiently, effectively and economically to ensure it is achieving reasonable value for money.

The Government has supported-in-principle the Review Report recommendation to establish a sustainable funding model. This will require further investigation and stakeholder consultation in the preparation of a detailed business case to inform government's decision-making.

### Strategic Performance and Reporting

I expect the QBCC to adopt an outcomes-focused performance and reporting framework which is integrated with other organisational planning and management systems and aligns with the organisation's functions.

Through the QBCC's strategic planning and performance reporting framework, it should consider and incorporate the following:

- Enhance QBCC workforce capability to enable it to deliver its core functions and balance the strategic and operational aspects of the organisation.
- Adopt risk-based and targeted compliance and enforcement initiatives to improve industry compliance and the management of emerging regulatory risks.
- Strengthen decision-making and complaints handling processes, to improve consistency, fairness, and impartiality in the decision-making processes.
- Grow organisational capability in data and technology and other specialist skills to build a reputation as a strong, effective, and responsive regulator.
- Work with other Australian and Queensland industry regulators to streamline processes and share information that will improve the consumer experience and better target sectoral risk.
- Support the Government's commitment to creating a more sustainable industry through implementation of the industry reforms and regulation of the security of payment laws, which includes auditing businesses for compliance with the minimum financial requirements.
- Enhance industry and consumer safety through strategic programs, auditing and education about unsafe building products and industry practices.

The QBCC will establish performance measures that can demonstrate achievement of the above expectations and for the QBCC's activities and performance to be publicly reported.

Open data and Right to Information are important processes in ensuring accountability and transparency in Government processes. The information privacy principles will be applied while adopting a more accountable and transparent approach to information sharing and reporting.

## **Conduct**

Transparency and accountability are paramount, as are protecting individual consumer's rights and the rights of licensees. I expect the QBCC to balance these obligations and consciously work within the established frameworks in a way that ensures the most accelerated resolution of matters brought before the Commission as possible.

The QBCC will have an open and consultative relationship with industry, consumers, and other government agencies. It is important that the QBCC establish and maintain outcomes and customer-focused standards, and that it is responsive and collaborative.

The QBCC culture should promote collaboration, trust, and accountability within the organisation as well as with stakeholders, industry and consumers.

The QBCC will promote and encourage consistent, transparent, and ethical behaviour and work practices and embed these principles into its organisational culture.

The QBCC will always conduct itself as a model litigant by following the principles of fairness and firmness.

The Commission's employees will also conduct themselves in accordance with the Code of Conduct and obligations of the *Public Service Act 2008*.

I expect behaviours or conduct that may adversely impact the QBCC's reputation or its ability to be an effective regulator, to be escalated to the QBCC Board, CEO and Commissioner or other appropriate body.



**Reporting on this Statement of Expectation**

This SOE should be published on the QBCC's website within 10 days of receipt. Further, the QBCC will develop performance targets that align with these expectations through the strategic planning process which is currently under development by the Commission.

I expect a written response to this SOE through a Statement of Intent, which outlines how the QBCC intends to meet the expectations in this SOE and the associated performance measures. The new Board are to be fully engaged in and committed to the performance targets and I acknowledge this will have an impact on when the QBCC's response to this SOE will be received.

The QBCC is to publicly report on the progress of performance targets, established in response to this SOE, at least quarterly.

I look forward to seeing the QBCC work towards being a strong and effective outcomes-focused, insights-driven regulator for Queensland.

If you would like more information about this matter, Nick Heath, Chief of Staff, can be contacted on 07 3719 7284.

Yours sincerely



Mick de Brenni MP  
**Minister for Energy, Renewables and Hydrogen**  
**Minister for Public Works and Procurement**

cc: Ms Anissa Levy  
CEO and Commissioner  
Queensland Building Construction Commission