



QUEENSLAND BUILDING AND
CONSTRUCTION COMMISSION

COMPLIANCE AND ENFORCEMENT STRATEGY 2024-2026

NOVEMBER 2024

CONTENTS

Introduction.....	3
Enduring focus areas.....	3
Priority focus areas.....	3
Understanding compliance and enforcement	3
Strategic alignment	4
Setting the scene	5
What the QBCC does.....	5
Target audiences	6
Approach to compliance and enforcement	6
Strategic initiatives	9
Monitoring and reporting our performance	14
Appendix A – Priority focus areas	14

INTRODUCTION

The Queensland Building and Construction Commission (QBCC) is responsible for regulating the building and construction industry, ensuring a safe and compliant built environment.

The QBCC licenses and oversees industry participants, enforces building standards and codes, and demonstrates its commitment to delivering excellence in regulatory services and industry growth through education, guidance, resources, and collaboration. The 2024-2026 Compliance and Enforcement Strategy (strategy) aims to reduce risk and protect against harm in the industry, empowering the QBCC to strengthen the industry through:

- responsive regulatory activity
- educating and informing customers and stakeholders to support continuous quality improvement.

The strategy explains the principles supporting the QBCC's regulatory approach, the tools that can be used and the compliance stance the QBCC will adopt in executing its responsibilities.

As part of this strategy, the QBCC has developed a range of compliance and enforcement focus areas, some of which are enduring while others will have a shorter-term priority focus. These focus areas have been identified through customer and stakeholder engagement, environmental scans of the building and construction sector and analysis of QBCC owned data.

A summary of these focus areas is outlined below and are further expanded upon in Appendix A.

ENDURING FOCUS AREAS

- Actively monitor compliance with security of payment legislation to support prompt payment to sub-contractors.
- Undertake proactive compliance activities across key risk areas of the NCC.
- Adopt a strong regulatory approach in dealing with unlicensed contracting.
- Undertake audits of premises impacted by combustible cladding to prevent serious fire events.
- Reduce immersion incidents by ensuring pool fencing safety requirements are being complied with.
- Protect sub-contractors and customers by proactively examining licensees that are considered a risk of financial failure.
- Ensure building products are safe and used for their intended purpose.
- Promote options to resolve complaints of defective work sooner and enforce strict compliance with rectification requirements.

PRIORITY FOCUS AREAS

- Cracking down on unlicensed contractors and promoting the use of licensed trades.
- Improving education on fire licensing requirements and reducing non-compliant fire protection work.
- Enhancing the licence application process to make it easier for those who are entitled to a licence, to obtain one.
- Taking responsive regulatory action to address defective and incomplete work.
- Supporting financial stability by enforcing financial reporting obligations and early intervention for financially distressed licensees.
- Targeting water ingress including waterproofing, roofing and stormwater.
- Boosting awareness of plumbing and drainage notifiable works and improving audit compliance.

UNDERSTANDING COMPLIANCE AND ENFORCEMENT

COMPLIANCE

Compliance refers to the act of adhering to laws, regulations, or standards to ensure that actions and processes meet legal and ethical standards. Compliance is typically a proactive measure taken to avoid legal repercussions and maintain integrity.

ENFORCEMENT

Enforcement is the act of compelling observance of laws and regulations through various mechanisms. Enforcement can include monitoring, audits and inspections, penalties, and other measures to ensure compliance when it is not voluntarily achieved.

STRATEGIC ALIGNMENT

The strategy is designed to be a comprehensive and actionable plan that guides the QBCC towards uplifting compliance across the industry.

It also supports the QBCC's Strategic Plan 2023-2027 and purpose, 'We deliver excellence in regulatory services to reduce risk and offer protection from harm'.

In particular, the strategy supports the Strategic Plan:

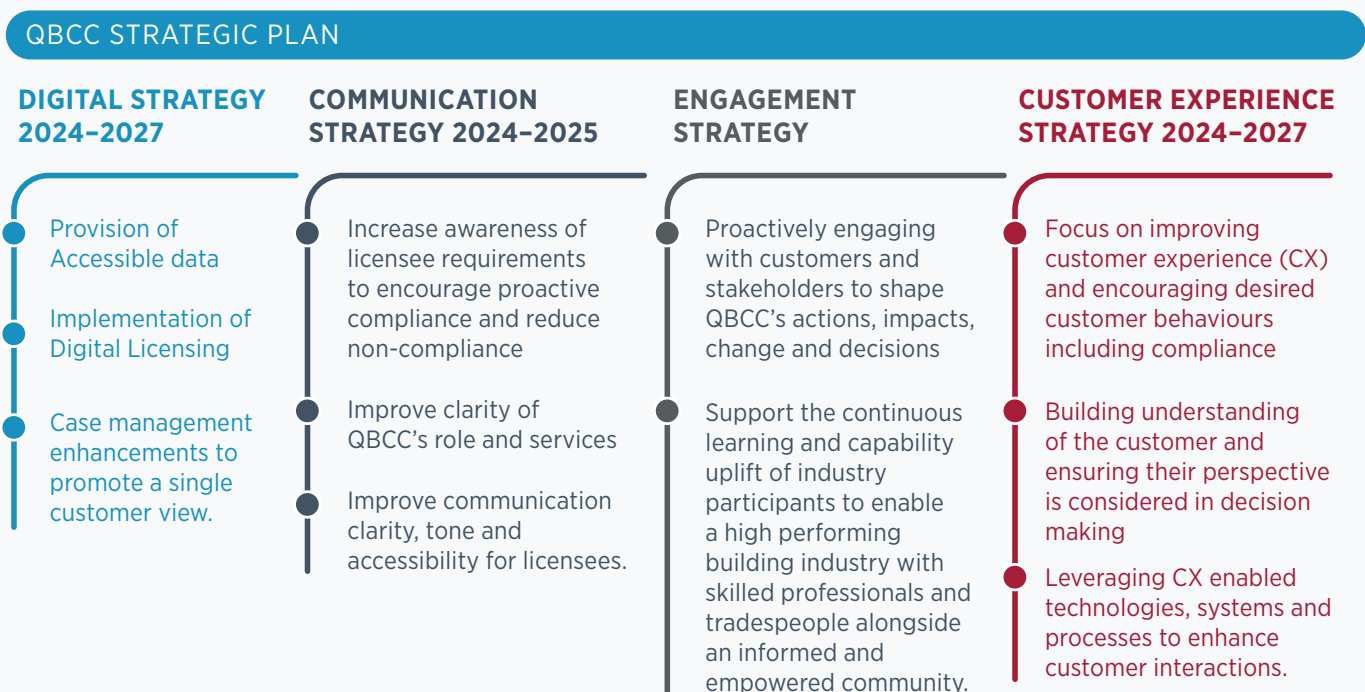
- Objective 1 - Support a strong, safe and sustainable industry through responsive regulatory activity to reduce risk and harm.
- Objective 3 - Educate and inform customers and stakeholders to support continuous quality improvement.

The implementation of the strategy supports the delivery of the following organisational outcomes:

- A reduction in harm for all involved in the building and construction industry.
- Contractors are licensed to perform specified work.
- Customers are clear on the skills and capabilities required to obtain and maintain a licence in Queensland.
- Industry participants operate skilfully and lawfully.
- There is a shared understanding of expectations between the QBCC and its customers and stakeholders.
- Customer and stakeholder knowledge leads to improvement in the industry.

This strategy has also been developed with consideration of existing and draft QBCC strategies to ensure they complement each other. A summary of these strategies and their interconnectedness is provided in Figure 1.

FIGURE 1 - ALIGNMENT OF THE COMPLIANCE AND ENFORCEMENT STRATEGY WITH OTHER QBCC STRATEGIES



† Note: the QBCC's Compliance and Enforcement Strategy is on a continuum with the QBCC Strategic Plan and other strategies.

SETTING THE SCENE

THE BUILDING AND CONSTRUCTION INDUSTRY

The building and construction industry (the industry) is a cornerstone of Queensland's economy, contributing over \$59 billion annually and employing over 270,000 people—making it the state's third largest employer.

Beyond its economic impact, the industry shapes the state's physical environment, providing essential infrastructure and housing, and fostering innovation.

The project pipeline over the next decade is significant, fuelled by major projects and the upcoming Brisbane 2032 Olympic and Paralympic Games.

Despite its strength, the sector is facing substantial challenges, including supply chain disruptions, escalating costs, extended project timelines, pressure on material and labour markets due to increases in public works and the rising frequency of natural disasters. These factors have contributed to a surge in building defects, including mould, fire safety issues, and waterproofing problems.

UNDERSTANDING THE INDUSTRY PERSPECTIVE

To increase compliance, it is important to understand the industry's perspective, as this helps to focus how and where the QBCC applies their regulatory efforts.

Customer research and feedback from stakeholders such as the Industry Advisory Committee, Service Trades Council and industry associations indicates that understanding of the role of the QBCC is often limited.

Research also indicates that licensees want to see the QBCC effectively regulating the industry. They want to see the QBCC weeding out unlicensed workers and promoting the value of using properly licensed contractors to help build a stronger, safer and more sustainable industry. The research also identified opportunities for the QBCC to improve interactions with licensees such as:

- making information clear, accessible, and easy to understand
- ensuring process, such as licensing are easy, streamlined and consistent
- being open about enforcement actions against unlicensed operators
- offering specific advice for different licensee types
- sharing information about support available during challenging market conditions.

Improving these interactions with customers and enhancing the overall customer experience is an important contributor to increasing industry compliance. As outlined in the QBCC Customer Experience Strategy 2024-2027, "...the benefit of mature regulatory customer experience is that it is easier for customers to deliver their obligations to the QBCC and more broadly, those obligations required by law. Forrester (2020)¹ estimate that in Government settings every 1% improvement on a customer experience scale results in a 2% increase in compliance, a 2.8% increase in trust and a 4.4% increase in advocacy. For the community, those changes will result in greater trust of, and advocacy for, the QBCC's role as a regulator of the building industry."

WHAT THE QBCC DOES

A safe, compliant, and sustainable building industry safeguards public safety, protects the environment, and drives economic growth, while also enhancing industry reputation and reducing risks for all Queenslanders.

The QBCC supports the building industry to maintain high building industry standards through:

REGULATORY COMPLIANCE AND ENFORCEMENT

- **Enforcing building regulations:** undertaking audits, inspections and investigations to ensure trades are appropriately licensed and that building work complies with codes and standards. Where deliberate non-compliance is identified, the QBCC uses a wide range of regulatory tools including issuing Penalty Infringement Notices, imposing licence conditions, licence suspensions/cancellation, enforceable undertakings or prosecution.
- **Regulatory excellence:** continuously enhancing the QBCC's capability to effectively implement and enforce building and construction laws through continuous improvement and development of regulatory frameworks.
- **Assessing industry practices:** evaluating certification practices and building inspection processes to ensure alignment with building codes and standards.

1. Embrace Customer Obsession to Achieve Mission Success, Forrester Research (2020). Available at: [Learn Why Customer Obsession is Important to the Success of Your Business \(forrester.com\)](https://www.forrester.com/Research/Report-Titles/Embrace-Customer-Obsession-to-Achieve-Mission-Success)

INDUSTRY IMPROVEMENT AND RISK MANAGEMENT

- **Safety focus:** protecting consumers by auditing non-conforming building products to ensure industry compliance with safety standards.
- **Financial wellbeing:** ensuring licensees comply with their financial reporting obligations and that they remain viable by meeting their financial requirements.
- **Data driven insights:** leveraging data and insights to help identify new and emerging industry challenges, target activities with the greatest risk of causing harm, and to ensure building work is performed by those who are appropriately licensed.
- **Expert support:** conducting building and technical inspections to assess compliance with building codes and to provide expert building and other technical advice. Being proactive during and after building works to identify opportunities for early intervention to support prevention or more targeted directives when harm has already occurred.

CUSTOMER SERVICES

- **Multimodal customer support:** providing comprehensive support through multiple channels including Regional Service Centres across the state in addition to a Customer Contact Centre, website and online portal.
- **Efficient licensing:** administering a robust licensing regime and ensuring only those people with the skills and qualification are licensed to perform building work.
- **Dispute resolution:** providing impartial dispute resolution services for building-related conflicts between industry professionals and property owners.
- **Strong partnerships:** building collaborative relationships with industry and customer groups to enhance understanding, gather feedback, and promote industry best practices.
- **Education and advice:** support the industry by providing access to educational material and subject matter experts for advice.

TARGET AUDIENCES

While outcomes of the strategy will have positive impact on Queenslanders in general, the focus areas will be directed towards customers and stakeholders.

The QBCC considers customers to be groups that currently use the QBCC services (whether they want to or not). They can be further defined as:

- **Licensees:** individuals and entities who are licensed under the QBCC Act, Plumbing and Drainage Act and Building Act
- **Property owners:** individuals and entities undertaking or planning construction work
- **Other customers:** include building product suppliers and manufacturers and goods and services suppliers to the building industry.

Stakeholders are defined as anyone with a vested interest in the building industry or the QBCC and are indirectly affected by its operations or performance, industry peak bodies, community groups, representative groups, and other government agencies.

APPROACH TO COMPLIANCE AND ENFORCEMENT

The strategy takes a three-pronged approach that consists of guiding principles, regulatory assessment and prioritisation. The guiding principles direct QBCC actions ensuring fairness, transparency, collaboration and a risk-based focus. Regulatory assessment and prioritisation identify the issues with the greatest risk of harm and focus efforts to apply a balanced regulatory response that considers education, engagement, monitoring, and enforcement actions to ensure compliance.

GUIDING PRINCIPLES

In developing the strategy, the QBCC considered several regulatory best practice principles across the Organisation for Economic Co-operation and Development (OECD) and Australia^{2,3,4,5} and identified foundational principles to serve as a compass, directing QBCC actions and shaping the approach.

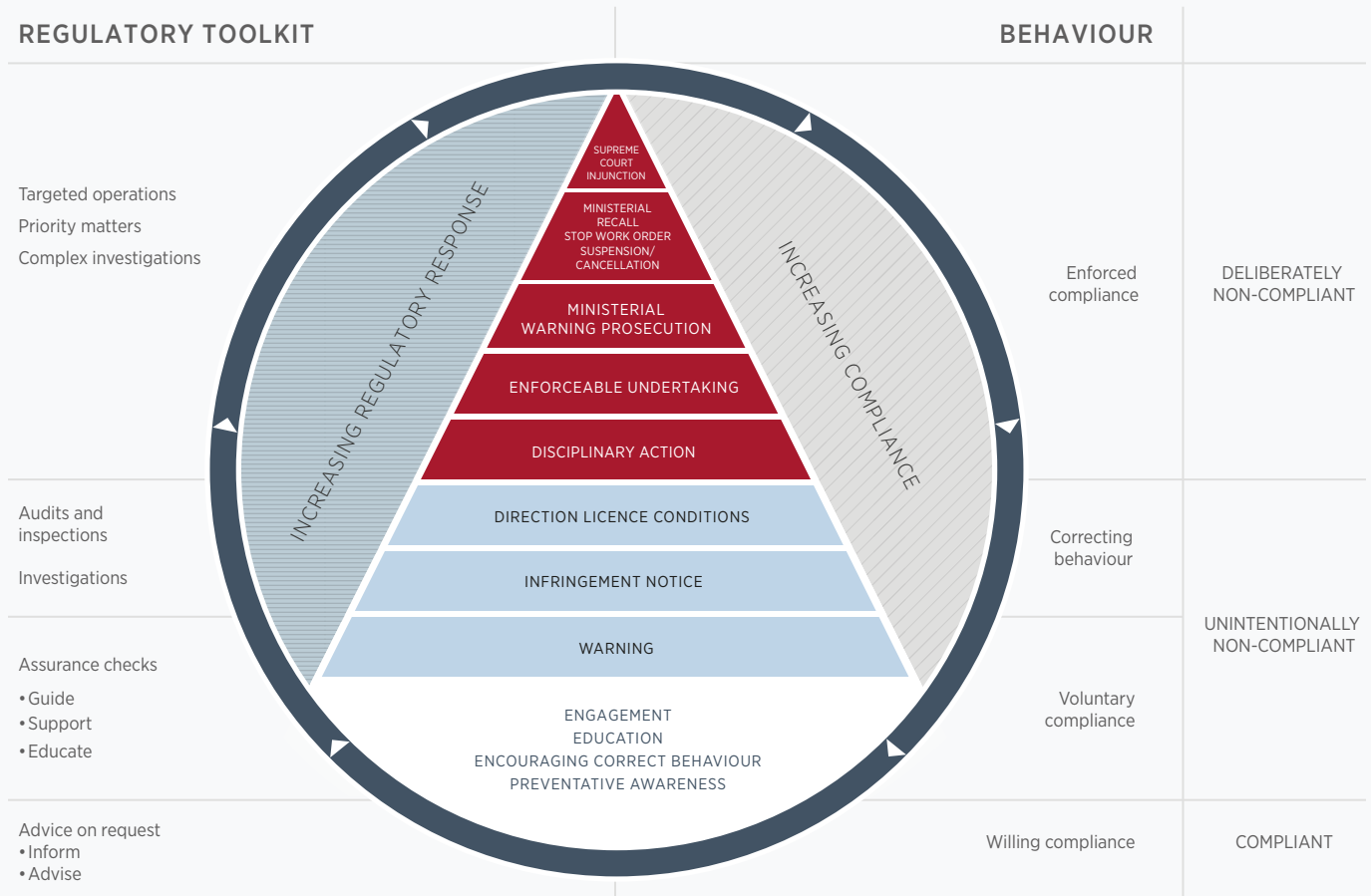
2. OECD (2018), OECD Regulatory Enforcement and Inspections Toolkit, OECD Publishing, Paris, <https://doi.org/10.1787/9789264303959-en>

3. Department of Finance, Commonwealth Government, Australia. Developing performance measures RMG 131 (2022). Available at: <https://www.finance.gov.au/government/managing-commonwealth-resources/developing-performance-measures-rmg-131>

4. Queensland Treasury (2019). Guide to better regulation (2022). Available at: s3.treasury.qld.gov.au/files/guide-to-better-regulation.pdf

5. Better Regulation Victoria, Victoria State Government (2022). Available at: [Towards-Best-Practice-A-guide-for-regulators-\(1\).pdf](https://www.vic.gov.au/Towards-Best-Practice-A-guide-for-regulators-(1).pdf) (www.vic.gov.au)

DIAGRAM 1: THE QBCC'S REGULATORY APPROACH



These principles underpin the QBCC's interactions with stakeholders, inform the enforcement strategies, and guide the QBCC's responses:

- 1. Risk-based and proactive approach:** regulatory decisions are rooted in risk assessment. By allocating resources effectively and focusing on higher-risk areas, the QBCC proactively addresses potential challenges. This approach ensures targeted interventions and efficient resource utilisation.
- 2. Transparent, informative, and evidence-driven:** transparency is imperative. The QBCC is committed to clear decision-making processes, publishing guidelines, and providing reasons for actions. Evidence guides QBCC's prioritisation, ensuring informed and accountable regulatory practices.

- 3. Collaborative engagement:** genuine collaboration with stakeholders and customers is essential. By engaging openly and actively, the QBCC is able to gain insights, build trust, and foster compliance. Collaboration ensures a holistic perspective and better outcomes.
- 4. Consistency and fairness:** the QBCC commitment to consistency and fairness is unwavering. All regulatory functions—whether education, enforcement, or sanctions are performed objectively. This principle ensures equitable treatment and upholds public trust.

These principles are intertwined with the Regulatory Response model (Diagram 1), shaping QBCC's approach and ensuring effective, balanced regulation. The model visually represents how the QBCC's responses escalate, based on compliance levels, emphasising a dynamic, behaviour-driven approach.

REGULATORY ASSESSMENT AND PRIORITISATION

The QBCC employs a risk-based approach to regulation, prioritising actions. This means that although the QBCC will rigorously assess all alleged contraventions, not every matter will be able to be fully investigated. This will depend on the weight of the evidence available and priority will be given to those matters posing the greatest risk of harm to Queenslanders or the industry.

The QBCC regularly uses a combination of the following in identifying risk:

- **Identifying areas of recurrent non-compliance:** the QBCC uses a data-driven approach to ensure resources are allocated efficiently, targeting areas where they can make the most difference. By analysing trends and patterns within the industry, the QBCC can pinpoint activities and sectors where non-compliance is most prevalent. This enables efficient allocation of resources and more targeted interventions to address areas of greatest concern.
- **Engaging with stakeholders and customers:** actively listening to the concerns of stakeholders and customers helps to identify trends and areas of risk as does collaboration with other agencies. The collaborative process aids alignment of priorities and expectations and supports a culture of transparency and trust.
- **Assessing the potential for harm:** the potential impact of non-compliance on industry sustainability and customer welfare is a primary consideration in determining regulatory priorities. By focusing on activities with the highest risk of causing harm, the QBCC can protect both industry integrity and the interests of Queenslanders.
- **Evaluating the persistence and solvability of issues:** a comprehensive evaluation of non-compliance issues is undertaken to assess both their persistence and the feasibility of achieving meaningful solutions. This ensures that efforts are not only targeted but also practical and results oriented. By focusing on opportunities that will have the greatest impact on compliance, the QBCC contributes to a safer, more sustainable, and more prosperous building and construction industry.

Once a high-risk area is identified, the QBCC tailors its regulatory response. A range of regulatory tools are used to support compliance including education, engagement, monitoring, and enforcement actions. A strong emphasis is placed on prevention, this aims to proactively address potential issues through education and support before they escalate into significant problems, thereby enhancing overall industry compliance and consumer protection.

This means that minor breaches may warrant education or support, while serious or repeat offences could lead to formal enforcement actions such as public warnings, court injunctions, prosecution and licence suspension or cancellation.

For more information, please refer to the Regulatory Response model (Diagram 1),

The QBCC recognises the dynamic nature of the industry and can adapt its regulatory approach. For example, major events like economic upturns, increasing natural weather events, supply chain disruptions or shifts in legislation can fundamentally change the dynamics of the building and construction industry. By adapting, the QBCC can ensure its regulatory approach aligns with the evolving industry landscape and remains effective in protecting the public interest.

To demonstrate how the QBCC applies a tailored regulatory response to specific circumstances, four short case studies have been provided showcasing a range of responses based on assessed risk, and potential harm.

CASE STUDY 1

QBCC officers identified an individual undertaking building work without a licence. The value of the work was approximately \$6,000. The individual had no history with the QBCC, was cooperative with officers, and the work presented a low risk of physical harm. The individual was issued with a Penalty Infringement Notice to the value of \$3,226.

CASE STUDY 2

A director of a company entered into contracts with two homeowners for building work at a combined value of \$57,000. The company no longer held the appropriate licence to perform the work, a fact the directors were aware of, leading to a QBCC investigation. The director was prosecuted and the courts imposed a \$25,000 fine. A further \$2,600 in costs was also awarded to the QBCC.

CASE STUDY 3

The QBCC proactively identified a company that was at risk of financial failure due to negative operating cash flows and a considerable cash overdraft, showing complete reliance on external financing to sustain operations over the preceding 12 months. The QBCC engaged with this entity and discovered that the company was in breach of its banking covenants, putting it at risk of losing its overdraft facility.

The QBCC met with directors and management to discuss the insolvency risk. The company disclosed operational changes underway to mitigate insolvency risk, including; closing loss-making operations to focus on more profitable divisions, making redundancies, closing offices and reducing their vehicle fleet.

The QBCC encouraged the director to ensure that additional capital was available to the company should overdraft facilities be withdrawn. As a result, the director provided a statement and evidence of personal assets and liabilities which included an unutilised financing facility and considerable net assets which would be available to the company.

In addition, a new financing facility for insurance premiums was negotiated and an extension was granted with the bank to satisfy bank covenants. The Australian Taxation Office (ATO), also approved a deferred payment plan for the company. The QBCC continued to monitor the company to ensure its solvency position had been established.

CASE STUDY 4

The QBCC received two complaints from sub-contractors about the same licensee not paying for work performed. The QBCC investigated and found that the licensee also defaulted on an ATO payment on the same day and that the number of creditors over 60 days had increased.

The QBCC made numerous attempts to contact the director of the licensed company, but no calls or emails were responded to. The QBCC then, issued a direction for the licensee to provide documents to enable a financial audit. The licensee eventually did respond to the QBCC and promised to provide the required documents, but they were never received.

The QBCC subsequently suspended and then cancelled the company's licence for continued failure to comply with the audit notice and the escalated risk this entity posed to the industry.

STRATEGIC INITIATIVES

To bring the strategy to life and to improve compliance maturity across the industry and the QBCC, the strategy has been segmented into four initiatives that consider key industry risks, the QBCC's regulatory approach and guiding principles:

1. Improving performance in core regulatory services and strengthening compliance with regulatory action taken by the QBCC.
2. Increasing proactive and intelligence-driven regulatory activities.
3. Optimising our workforce to benefit the customer.
4. Improving customer and stakeholder engagement, collaboration and education.

The four initiatives including their implementation are explored in further detail in the following section.

QBCC COMPLIANCE AND ENFORCEMENT STRATEGY

IMPROVING PERFORMANCE IN CORE REGULATORY SERVICES AND STRENGTHENING COMPLIANCE WITH REGULATORY ACTION TAKEN BY THE QBCC.

The resolution of disputes, complaints, claims, investigations and enforcement are core activities for the QBCC and need be undertaken objectively, efficiently, effectively and with transparency. Equally, there is the need to ensure that all regulatory actions undertaken by the QBCC are followed through and satisfactorily adhered to.

WHY

By improving effectiveness in resolving disputes, complaints, claims investigations, enforcement action and regulatory action close-outs this will:

- create efficiencies in the use of internal resources
- improve QBCC responsiveness
- ensure consistency and transparency
- improve customer experience in dealing with the QBCC
- improving employee experience in responding to customer needs.

HOW

This will be achieved by:

- Communicating priority focus areas that the QBCC will be targeting.
- Maintaining communication with customers throughout the life cycle of any regulatory action being undertaken.
- Continuing to support QBCC's mediation and conciliation service to help expedite dispute resolution for customers.
- Effecting a rigorous audit process to ensure that licensees and others are complying with notices or directions issued by the QBCC.
- Implementing a range of initiatives to reduce regulatory wait times.
- Focusing regulatory activities on key industry issues such as unlicensed building work and insolvencies (including payments to sub-contractors).
- Testing the law - where a law is untested, the QBCC has an appetite to take action to provide clarity to the industry and customers.

QBCC COMPLIANCE AND ENFORCEMENT STRATEGY

INCREASING PROACTIVE AND INTELLIGENCE - DRIVEN REGULATORY ACTIVITIES

A key focus of the strategy is to become more proactive and targeted in everything the QBCC does. This includes increasing our visibility and presence across the industry by undertaking more inspections and audits, as guided by our intelligence gathering and data insights.

WHY

Using intelligence and insights to drive activity will:

- direct resources to focus on key risks and areas of harm
- support corrective behaviours and enforced compliance
- promote trust and confidence
- communicate areas of focus to industry
- improve industry awareness
- promote compliance.

HOW

This will be achieved by:

- Developing and implementing an intelligence-driven, risk-based inspection program with more proactive activities during and after building works. Early intervention provides the QBCC opportunity to utilise education and engagement tools to help avoid harm, and where harm has already occurred, be more targeted with directives.
- Identifying entities at risk of financial failure and acting quickly to minimise impact. With a significant increase in insolvency events in the Queensland building industry, the QBCC has a strong appetite for early intervention, utilising a suite of regulatory tools such as audit, forensic accounting reviews, and investigation and enforcement as needed.
- Undertaking focused enforcement activities on areas identified as having an increased risk of harm.
- Enhancing the communication of inspection and audit outcomes to increase the reach and cut through of industry learnings.

3

QBCC COMPLIANCE AND ENFORCEMENT STRATEGY

OPTIMISING QBCC'S WORKFORCE
TO BENEFIT THE CUSTOMER

Successful delivery of the strategy will require a skilled, trained and engaged workforce and the development of specialist skills across a range of QBCC staff over the coming years. The QBCC Academy and Learning and Development teams are important enablers for this.

WHY

By investing in QBCC capability, education, training and culture this will:

- align people, skills, and activities with functions and outcomes
- strengthen organisational culture and formalise learning pathways
- build cross-functional capabilities and enhance operational efficiency
- improve service quality, consistency, resilience, and support for voluntary compliance.

HOW

This will be achieved by:

- Improving data literacy and capability for QBCC staff to better utilise data insights.
- Providing uplift to internal educational capability through updated policies, procedures and training.
- Undertaking a workforce planning review to establish future resources and skills requirements, efficiency opportunities and training needs, to keep deliver of the strategy on track.

QBCC COMPLIANCE AND ENFORCEMENT STRATEGY

IMPROVING CUSTOMER AND STAKEHOLDER ENGAGEMENT, COLLABORATION AND EDUCATION

The QBCC is committed to working more closely with our customers and stakeholders to deliver on our strategic objectives and support QBCC's continuous improvement journey. The strategy aims for a more collaborative approach, focused on the commonly held motivations, of reducing risk and preventing harm.

WHY

By improving QBCC's effectiveness in engaging and collaborating with QBCC's customers and stakeholders, this will:

- increase awareness of licensee requirements
- promote trust and confidence
- improve transparency
- facilitate information sharing and foster compliance
- clarify the role of the QBCC.

HOW

This will be achieved by:

- Developing and implementing proactive education and awareness programs for customers and stakeholders.
- Collaborating and coordinating with other Queensland Government departments and related entities.
- Establishing forums for open dialogue and actively seeking feedback from the industry.
- Implementing a proactive audit program for site inspections, including education and engagement.
- Engaging with industry through the recently established Regulatory Practice and Engagement branch to empower customers to make informed decisions to improve compliance. Taking an educational approach when implementing new laws.
- Executing QBCC's Customer Experience and External Communication Strategies, sharing information and data with stakeholders.

MONITORING AND REPORTING OUR PERFORMANCE

The QBCC provides:

- monthly summaries of regulatory actions, including rectification orders, suspensions, penalty notices, and licence cancellations, to keep stakeholders informed
- yearly performance outcomes each year in an annual report, and plans to introduce bi-annual reports to increase awareness of QBCC's compliance and enforcement activities.

APPENDIX A

PRIORITY FOCUS AREAS

By identifying and communicating priority focus areas, the QBCC puts targeted sectors of the regulated community on notice to comply with the law. They can be either statewide or specific to an area or region. The goal of QBCC's priority focus areas is to drive widespread voluntary compliance as effectively as possible using the most appropriate mix of regulatory tools.

The QBCC will support those conducting building and construction work to voluntarily comply and will take strong enforcement action against those who willfully and persistently engage in unlawful conduct.

To achieve this, the QBCC will utilise an optimised blend of regulatory tools, designed to be as effective and appropriate as possible. The QBCC will review these priority focus areas to ensure the focus remains on issues of importance and that regulatory efforts are both meaningful and impactful.



Unlicensed contracting 16



Fire Protection..... 16



Licensing efficiency 17



Incomplete/Defective Building Work..... 17



Industry Insolvencies 18



Water Ingress 18



Notifiable Work..... 19

ENDURING PRIORITIES

The QBCC's enduring regulatory priorities are centered around activities and behaviors that present a significant risk or fundamentally embody the values guiding the QBCC's decisions and operations. These priorities, critical for maintaining the highest industry standards and safety, are areas where the QBCC commits its focus.

Given their complexity and the profound impact they have on customers, these priorities demand our unwavering attention.

Activities are intricately designed to reflect dedication to these enduring priorities. This commitment is woven into the fabric of the QBCC's daily work, ensuring every action taken is a step towards a strong, safe and sustainable industry through responsive regulatory activity to reduce risk and harm.

Some shorter-term focus areas will also be included in the QBCC's enduring priorities to reflect the importance of a persistent focus on those areas due to the harm they present to the industry.

SECURITY OF PAYMENTS

The QBCC will actively monitor compliance with the broad suite of payment protections outlined in legislation to ensure prompt payment to sub-contractors.

NATIONAL CONSTRUCTION CODE (NCC)

The QBCC will take proactive compliance activities across key risk areas of the NCC to support social, environmental and economic outcomes for Queenslanders.

UNLICENSED CONTRACTING

The QBCC will adopt a strong regulatory approach in dealing with unlicensed contracting.

COMBUSTIBLE CLADDING

The QBCC will conduct audit work regarding combustible cladding actions to prevent serious fire events causing catastrophic harm.

POOL FENCING SAFETY

The QBCC will conduct investigations and provide ongoing education on pool fencing safety requirements to reduce the number of immersion incidents within Queensland.

DEFECTIVE WORK

The QBCC will promote options to resolve instances of defective work sooner and enforce strict compliance with rectification requirements.

FINANCIAL STRENGTH OF LICENSEES

The QBCC will proactively examine licensees with red flags with respect to their financial position to protect sub-contractors and customers.

NON-CONFORMING BUILDING PRODUCTS

The QBCC will prioritise product safety issues in order to detect and disrupt serious harm.

PRIORITY FOCUS AREAS 2024-2026



UNLICENSED CONTRACTING

THE RISK AND WHY IT IS A PRIORITY

Crack down on unlicensed contractors and promote the use of using licensed trades.

Unlicensed contracting poses a significant risk to consumers and community safety due to the potential for substandard or defective work. Such practices not only compromise consumer protection but also threaten public safety and may result in homeowners not being protected under the Queensland Home Warranty Scheme administered by the QBCC. They also unfairly disadvantage licensed practitioners by diverting business from those who are properly accredited and adhere to regulatory standards.

To safeguard consumer interests and maintain industry integrity, the QBCC will adopt a strong regulatory approach in dealing with unlicensed contracting employing its full suite of regulatory tools to address this issue.

ANALYSIS TO SUPPORT THIS BEING A RISK

- Unlicensed contracting is consistently the top complaint investigated currently accounting for almost 50% of all investigations.
- A plumbing industry survey undertaken by the Services Trades Council listed unlicensed contracting as one of their top concerns.
- Feedback from Industry associations, including Master Builders Qld, HIA and Master Plumbers Qld listed unlicensed contracting as one of their primary industry issues.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- Continue to prioritise unlicensed contracting investigations and take firm and appropriate regulatory action against those who offend.
- Use of data and intelligence to target the highest areas of building demand to ensure licensed building occurs.
- Provide proactive education to industry and property owners around the importance of engaging the appropriate licensees to undertake building work.



FIRE PROTECTION

THE RISK AND WHY IT IS A PRIORITY

Improve education on fire licensing requirements and reduce non-compliant fire protection work.

Non-compliant fire protection work is a high-priority issue due to its potential to significantly jeopardise the health and safety of individuals and the structural integrity of buildings. When passive fire controls are not implemented to meet required standards, properties are left vulnerable to fire, posing a severe risk to occupants and assets.

The QBCC will combine an educative approach to compliance by enhancing information available to our customers, while also requiring strict adherence to the standards using a range of enforcement tools appropriate to the individual circumstances.

DATA ANALYSIS TO SUPPORT THIS BEING A RISK

- Historical audit data of inspections of commercial properties identifies fire protection work as one of the key defects identified. In 2023, non-compliant fire-protection work was identified in approx. 23.6% of commercial buildings inspected.
- A review identified a lack of general awareness across property owners, occupiers and industry about the regulatory framework relating to Fire Protection work.
- Feedback from recent Service Trades Council Industry Forums consistently highlights the Fire protection framework as an ongoing industry concern.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- Undertake proactive site audits of buildings under construction with a focus of fire protection work.
- Provide education around common fire protection defects and material outlining fire protection licensees' obligations.
- Undertake regular fire protection audits of commercial properties to ensure regular fire testing is undertaken by appropriately licensed entities.



LICENSING EFFICIENCY

Enhance the licence application process to make it easier for those who are entitled to a licence, to obtain one.

THE RISK AND WHY IT IS A PRIORITY

An accessible and user-friendly application process encourages compliance with regulatory requirements. When potential licensees understand the steps and can complete them efficiently, they are more likely to engage with the process rather than avoid it or seek non-compliant alternatives. Improving the efficiency of the licensing process makes it easier for the right applicants to obtain a licence sooner.

With a more efficient process, the QBCC can allocate resources more effectively, focusing on high-risk areas and actors.

ANALYSIS TO SUPPORT THIS BEING A RISK

- A review of some licence application processes identified incomplete licence applications account for approximately 60% of certain applications received.
- Feedback from licensees and industry associations is that some licensing decisions are inconsistent and the application process cumbersome to navigate.
- Internal audits of certain licence assessments identified opportunities to improve the consistency of decisions made.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- Progressing towards digital licensing.
- Development of guidelines to help applicants understand what they need to provide to demonstrate adequate experience.
- Introduction of more user-friendly licence forms.



INCOMPLETE/ DEFECTIVE BUILDING WORK

Take responsive regulatory action to address defective and incomplete work.

THE RISK AND WHY IT IS A PRIORITY

Defective and incomplete work impacts customers who are unable to enjoy the benefits of their renovation work or their new homes. The consequential delays in dispute resolution amplify the financial and emotional distress for both licensees and homeowners.

The QBCC will enhance inspection and compliance measures for building work to address and rectify defective building practices and will adopt a multi-faceted approach, disseminating education material on disputes, encouraging mediation between homeowners and contractors and enforcing strict compliance with rectification requirements.

ANALYSIS TO SUPPORT THIS BEING A RISK

- The Industry Advisory Committee recommend that the QBCC should identify opportunities to influence the quality of work undertaken to reduce instances of defective works.
- The QBCC receives approximately 5,000 disputes annually which result in roughly 950 directions to rectify being issued.
- Feedback from industry associations support defective work being a focus area for the QBCC and welcome enhanced education for the broader industry.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- More proactive action during and after building works to intervene earlier provides the opportunity to utilise education and engagement as a tool, and to be more directive where the damage is already done.
- Improved technology and additional resources to undertake a greater number of building inspections and reduce the time customers must wait for a building inspection.
- Promotion of educative information around common defects to improve industry awareness.
- Enhanced triaging of complaints to resolve disputes sooner.



INDUSTRY INSOLVENCIES

THE RISK AND WHY IT IS A PRIORITY

Support financial stability by enforcing financial reporting obligations and early intervention for financially distressed licensees.

Maintaining financial stability in the industry is critical; it necessitates strict adherence to financial reporting and proactive intervention when licensees show signs of financial distress. This is vital to mitigate the risk of insolvency and the use of unsustainable financial practices, which can have far-reaching consequences for the industry and community.

The QBCC will enhance financial monitoring and utilise new information sources to facilitate earlier identification and intervention with financially distressed entities, reducing the systemic risk to the industry and the broader economy.

ANALYSIS TO SUPPORT THIS BEING A RISK

- Queensland's share of national construction insolvencies was 16% between July 2021 and September 2023, with marginal cyclical variation (2-3%).
- Queensland's insolvency rate is consistent with Queensland's share of construction enterprises at 18%.
- According to ASIC, a contributing factor to potential future increases in insolvencies (across all industries) within Australia, may be due to the high volume of public works in preparation for the Queensland Olympics and the building work required in recovery efforts from natural disasters, adding pressure to already stressed material and labour markets.
- A QBCC commissioned report into recent insolvencies in the building and construction sector identified opportunities for the QBCC to utilise technology and broader information sources to identify entities in financial distress and to intervene sooner.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- Continued delivery of education programs and awareness to industry aimed at contractors and accountants which focuses on financial obligations.
- With increasing insolvencies in the Queensland building industry, we have a strong appetite for early intervention, utilising our regulatory tools such as audit, forensic accounting reviews and where needed, investigation and enforcement.
- Exploring opportunities to enhance insights by improved technology which allows increased capacity to analyse large volumes of data and information.



WATER INGRESS

Target water ingress including waterproofing, roofing and stormwater.

THE RISK AND WHY IT IS A PRIORITY

Addressing water ingress, encompassing waterproofing, roofing, and stormwater systems, is imperative from a risk-based regulatory perspective because failures in these areas can lead to significant structural damage, health hazards from mould and dampness, and expensive repair.

The QBCC will take a responsive regulatory approach, from providing advice and assistance through to more stringent actions if initial interventions fail to secure compliance.

ANALYSIS TO SUPPORT THIS BEING A RISK

- Waterproofing, roof cladding and drainage are regularly in the top 5 most complained about defects making up 25% of defects types received at the QBCC.
- The majority of roofing complaints relate to sheet metal roofing. The top three defects regarding roofing occur in flashing, capping and fixings.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- Implementation of endorsed recommendations from a review into Roofing and Stormwater.
- Proactive inspections will be focused on issues relating to water ingress. These include waterproofing, roofing, slab edge dampness and stormwater.
- Development of education material to improve awareness of defects relating to water ingress.



NOTIFIABLE WORK

THE RISK AND WHY IT IS A PRIORITY

Boost awareness of Plumbing and Drainage Notifiable Works and improve audit compliance.

Notifiable works was introduced to ensure relevant plumbing and drainage work is carried out by licensed professionals and meets safety and quality standards without the need for extensive inspections or approvals for more minor works. This approach aims to streamline the process for industry professionals while maintaining public health and safety standards.

The QBCC will adopt a facilitative approach, providing clear guidance of the QBCC's audit framework and what licensees need to do to comply. It is expected that licensees will fully comply with the audit findings.

ANALYSIS TO SUPPORT THIS BEING A RISK

- In 2022/23, notifiable works audits identified 20% of licensees audited were non-compliant with their obligations. This level of non-compliance is reasonably consistent with previous year's results.
- Feedback from licensees and Master Plumbers Qld is that there continues to be a lack of industry understanding of the notifiable work framework.
- Feedback from local governments undertaking inspections of notifiable works identified a 12% failure rate.

ACTIVITIES TO ADDRESS THE RISK, INCLUDE BUT ARE NOT LIMITED TO

- A comprehensive audit program ensures that the relevant notice is being given when notifiable work is completed – given approximately 75% of plumbing and drainage work in Queensland is covered by this scope of work.
- Service Trades Council to review the Notifiable Work framework and make recommendations for improvements.
- Continued focus on education material made available to licensees.

Need more information?

Visit qbcc.qld.gov.au, call us on **139 333**
or write to **GPO Box 5099, Brisbane Q 4001**

