

Minister for Housing, Local Government and Planning Minister for Public Works

Our Ref: MN03111-2024

09 September 2024

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Ms Michelle James
Chair
Queensland Building and Construction Board
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Dear Ms James

STATEMENT OF EXPECTATIONS FOR QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION

I write in reference to the initial Statement of Expectations (SoE) provided on 27 September 2022 to Mr Dick Williams, former Chairperson of the Queensland Building and Construction Board and Ms Anissa Levy, Chief Executive Officer and Commissioner of the Queensland Building and Construction Commission (QBCC) in accordance with Recommendation 13 of the QBCC Governance Review 2022 (Review) authored by Mr Jim Varghese AM.

I note Mr Varghese's findings in relation to the benefits of clear guidance within QBCC on its strategic priorities, emerging risks, engagement philosophy, performance and conduct. In support of Recommendation 13 of the Review, I intend to continue to issue SoE.

I recognise the significant achievements of QBCC over the past two years in delivering the outcomes of the Review. I note that of the 59 actions QBCC is leading, 50 have been completed. With almost 85 per cent of the actions delivered, QBCC is clearly well on track to deliver all actions within the program timeframes.

I particularly note the comprehensive structural and functional realignment which became effective in mid-2023, which is a foundation piece for QBCC's transformation to a more transparent, efficient and customer-focused regulator. Like the organisational structure, the progress QBCC has made in implementing the Digital Business Case is also critical to its transformation, noting that information technology and digital capability underpins effective delivery of QBCC's functions.

To help facilitate this ongoing improvement of QBCC's performance and approach and to ensure there is clear direction, I have detailed below, my expectations of QBCC's roles and responsibilities, transparency, accountability, performance and its relationship with government.

The quality of the building and construction industry in Queensland is more important now than it ever has been. Industry will need to be at its peak performance to ease the strain the housing system is under and to deliver one million new homes by 2046 under *Homes for Queenslanders*. QBCC's functions, as detailed in the *Queensland Building and Construction Commission Act 1991* (Act), provide the authority needed to effectively regulate, educate and support industry through this critical period, while also ensuring consumers are sufficiently informed and protected. As the industry meets this demand, QBCC is expected to maintain an appropriate balance between protecting consumers, for example through the Queensland Home Warranty Scheme, and supporting industry.

To ensure this appropriate balance, I would like QBCC to focus on the following priorities during the terms of this SoE, unless amended by myself at a future date:

- ensure industry participants are appropriately licensed
- undertake education and awareness activities to support quality improvement in the industry and strengthen performance, including raising awareness of rights and responsibilities (for licensees and consumers)
- provide timely and outcomes-focused advice to industry and consumers
- facilitate transparent, efficient and effective dispute resolution
- always conduct itself as a model litigant by following the principles of fairness and firmness
- enhance the proactive examination of licensees that pose red flags with respect to their financial position in order to protect sub-contractors and consumers.

The SOE applies until 31 March 2026, unless otherwise amended by me.

The building and construction industry continues to face significant stress due to various market conditions, which include the combined impacts of skilled labour shortages, along with materials cost increases and supply chain disruptions caused by factors such as the COVID-19 pandemic, global conflicts and repeated adverse climatic conditions.

The performance and sustainability of the building and construction industry is critical, particularly as we move forward with *Homes for Queenslanders*.

QBCC's critical functions and its dedicated officers play a key role in supporting industry and helping to keep Queenslanders safe in the buildings they work, live and play in. The significant efforts and excellent work performed by QBCC staff also helps maintain professional standards in the building and construction industry, which promotes investment and consumer confidence.

I look forward to seeing QBCC continue its dedicated efforts to establish itself as a strong and effective outcomes-focused, insights-driven regulator for Queensland.

If you require further information, my Chief of Staff, Ms Clare Manton can be contacted on (07) 3719 7170 or by email at clare.manton@ministerial.qld.gov.au.

Yours sincerely

Meaghan Scanlon MP

Minister for Housing, Local Government and Planning Minister for Public Works

Encl.

cc: Ms Anissa Levy

CEO and Commissioner

Queensland Building Construction Commission

STATEMENT OF EXPECTATIONS FOR QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION – 1 September 2024 to 31 March 2026

Ministerial responsibilities/ Context of SoE

The Minister for Housing, Local Government and Planning and Minister for Public Works is 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 is to be read in conjunction with, and in the context of, the objectives of this legislation, QBCC's functions and powers under these Acts and regulations, and relevant Queensland Government commitments such as the HQP and the Queensland Building Plan (QBP).

It is acknowledged 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, which will assist in informing government decisions about potential reforms and any financial implications, including the impact on QBCC resourcing. This SoE is subject to, where appropriate, the outcome of such business cases and government decisions.

Government reform agenda

The 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 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 Housing, Local Government, Planning and Public Works (the department) supports the 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.

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 building regulator and through its engagement with other regulators, QBCC is well placed to provide evidence and information to the department to support the government's decision-making processes regarding policy and legislation.

As an independent regulator, QBCC must ensure it performs its functions impartially and consistently. In performing its functions, QBCC will:

- inform Government of the outcomes of its regulatory activities
- work collaboratively with the department to ensure the department and the Minister are well informed about the impacts of government reforms on the industry and/or operation of QBCC
- refer matters relating to policy or legislation raised by stakeholders from time to time to the Minister and the department
- assist to implement the Government's policy reform agenda, including continued implementation of the QBP reforms and Government's response to the 2022 QBCC Governance Review.

Interaction between Minister, the department and QBCC

QBCC plays a critical role in ensuring the Government is well placed to respond promptly to issues impacting the building and construction industry. QBCC will:

- have regard to, and comply with, the formal policy and legislative protocol to manage interactions between the Minister, the department and QBCC, including:
 - continuing to support engagement between QBCC and the department at a strategic, tactical, and operational level
 - continuing to support open and transparent information sharing about emerging issues and matters impacting the performance of the regulator's functions
 - continuing to advise the Government and the department on matters impacting the building and construction industry and the performance of its regulatory functions.
- provide advice, information and evidence-based feedback to the Minister and the department to assist in ensuring the legislative framework performs as intended
- provide data and information to the department to inform briefings and executive government documents used to support deliberations about QBCC funding needs, to ensure the effective operation of QBCC.

The department will engage with QBCC about policy reform. Once Government has determined such policy, QBCC will:

- implement the policy in accordance with the Government's intent
- seek the department's advice should clarification or interpretation be required on a policy matter.

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

It is the responsibility of QBCC to proactively manage these obligations with respect to reform implementation and it should ensure 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

QBCC will:

- continue to develop clear and consistent priorities to implement its mandate, purpose and vision for the building and construction industry
- continue 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
- ensure its strategic priorities are contemporary and responsive to current and emerging risks and environmental challenges within the building and construction industry (including a focus on customer outcomes, to ensure practical, transparent and timely engagement); and
- effectively identify and mitigate its strategic and operational risks, maintaining appropriate frameworks to facilitate this.

Emerging risks in the building and construction industry

QBCC will:

- proactively identify and monitor insights, trends, and data to detect and respond to emerging risks in the sector
- develop a risk-based and data informed approach to the delivery of QBCC's operations and regulatory posture
- maintain effective 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:

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

Financial performance

- acknowledging QBCC is funded through the prescribed fees set by government, the QBC Board as the governing body, will ensure QBCC's operations are carried out efficiently, effectively and economically to ensure it is achieving reasonable value for money
- it is noted the establishment of a secure funding model is a relevant concern for the QBC Board, as recommended in the QBCC Governance Review.

Strategic Performance and Reporting

 QBCC will 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.

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	Open data and Right to Information are important processes in ensuring accountability and transparency in Government processes. QBCC will apply the information privacy principles, while adopting an accountable and transparent approach to information sharing and reporting.
Conduct	In addition to its responsibilities under the <i>Public Sector Act 2022</i> and its commitment to act as a model litigant, QBCC will:
	 balance its obligations for transparency and accountability with its obligation to protect individual consumer's rights and the rights of licensees consciously work within the established frameworks to ensure the most accelerated resolution of matters brought before the Commission continue to develop initiatives and processes to facilitate an open and consultative relationship with industry, consumers, and other government agencies, including the Industry Advisory Committee and the Service Trades Council establish and maintain customer-centric standards, and outcomes that are responsive and collaborative continue reform initiatives focussed on enhancing a strong organisational culture, such as the organisational values launched last year, promoting a culture of collaboration, trust, and accountability within the organisation as well as with stakeholders, industry and consumers; and continue to promote trust and encourage consistency, transparency, accountability and ethically responsible behaviour, and embed these principles into its organisational culture.
Reporting	QBCC will:
	 publish this SoE on its website within 10 days of receipt ensure its performance targets align with these expectations through QBCC's strategic planning process provide a written response to this SoE through a Statement of Intent by 31 December 2024, which outlines how QBCC intends to meet the expectations in this SoE and the associated performance measures publish reports on the progress of performance targets at quarterly intervals.