

REGULATORY REPORT

FINANCIAL YEAR TO DATE: JANUARY-JUNE 2025



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FOREWORD FROM THE CEO AND COMMISSIONER

As CEO and Commissioner of the QBCC, I am proud of the organisation's evolution into a proactive, data-driven, intelligence-led regulator. The work showcased in this report reflects our collective commitment to lifting industry standards, protecting consumers and ensuring licensees meet their obligations.

As we continue our transformation journey, I want to acknowledge the dedication of our staff and the critical role played by industry stakeholders, professional bodies and government partners. Together, we are building a safer, fairer and more resilient building and construction sector.

Angelo Lambrinos
QBCC CEO and Commissioner

MESSAGE FROM THE CHIEF BUILDING REGULATOR

As Queensland's Chief Building Regulator, I continue to strengthen our regulatory posture to ensure safe, compliant and financially sustainable outcomes across the building and construction industry.

The QBCC has deepened its data and analytics capability, increased its regulatory presence from Coolangatta to Cape York, and improved coordination between compliance, audit, legal and licensing functions. Our focus on high-risk harms such as unlawful work and defective building activity ensures our regulatory effort delivers the greatest impact.

This report highlights not only the volume of compliance activity conducted, but our maturing approach to transparency, engagement and reform. We acknowledge the vital role that licensees, industry associations and partners play in lifting standards for consumers and everyone who engages in the building industry.

Together, we will continue driving improvement and public confidence in the sector.

Skye Bowie
QBCC Chief Building Regulator

REPORT SUMMARY

This report summarises key compliance and enforcement activities undertaken from January to June 2025. It includes:

- proactive inspections and audits
- directions to rectify and failure statistics
- financial audits and trust compliance
- licensing actions and suspensions
- education and outreach.

INTRODUCTION

The Queensland Building and Construction Commission (QBCC) regulates the building industry to ensure safety and compliance. It helps maintain high standards through both proactive and reactive actions, focusing on areas that pose the highest risk or potential harm.

This bi-annual report outlines the QBCC's key regulatory activities during the six-month period between 1 January to 30 June 2025. It supports the goals of the Compliance and Enforcement Strategy 2024–2026 to improve transparency through regular reporting. The report offers a high-level overview of actions taken and is not exhaustive.

The information and data in this report are provided for general use only. It is not a statistically representative sample of industry compliance for the reporting period.

The QBCC has carefully considered the alignment between our day-to-day regulatory activities and our broader strategic regulatory objectives outlined in the [QBCC Compliance and Enforcement Strategy 2024–2026](#). By linking operational outcomes such as audits, inspections, dispute resolution and enforcement actions to specific strategic actions, the QBCC provides transparency around how it prioritises its resources, targets emerging risks and supports compliance across the industry. This strategic alignment ensures that individual activities contribute to system-wide improvements, such as strengthening early intervention, enhancing education and awareness, and promoting a strong and proportionate regulatory presence. This approach reinforces the QBCC's commitment to strategic, risk-based regulation that protects consumers, supports licensees, and upholds the integrity of Queensland's building and construction sector.

PROACTIVE INSPECTIONS AND SITE VISITS

BUILDING INSPECTIONS

The QBCC carries out proactive inspections on active residential and commercial construction sites. Inspectors help licensees understand legal requirements and ensure buildings under construction will meet relevant code and standard requirements. Depending on the issue, the QBCC's inspectors may offer education, give warnings, issue notices, or take legal action for serious offences. This section includes data on how many inspections were done and the most common problems found on-site.

These random inspections focus on high-risk areas that could affect occupant safety, such as:

- fire safety in high-rise buildings
- roof and wall frame tie-downs (cyclonic and non-cyclonic)
- fire-separating walls in townhouses
- waterproofing (internal and external)
- plumbing and drainage
- mechanical services (air conditioning)
- weatherproofing elements (e.g. external cladding)
- structural integrity of buildings and materials.

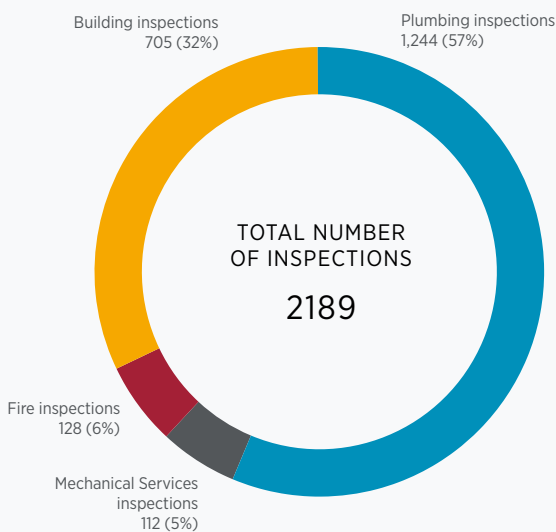
The Technical Inspections team accompanied the Townsville Cyclone Testing Facility team on inspections through cyclone prone suburbs. They provided education on-site regarding cyclone categories and the relevant standards required.

Early intervention from inspections improves building quality, curbs poor industry behaviour, and reduces risk and harm to building occupants. The QBCC's proactive units raise public awareness through building alerts on social media, and attend or speak at industry events and public forums. Preventing costs incurred from hidden defects prior to building handover

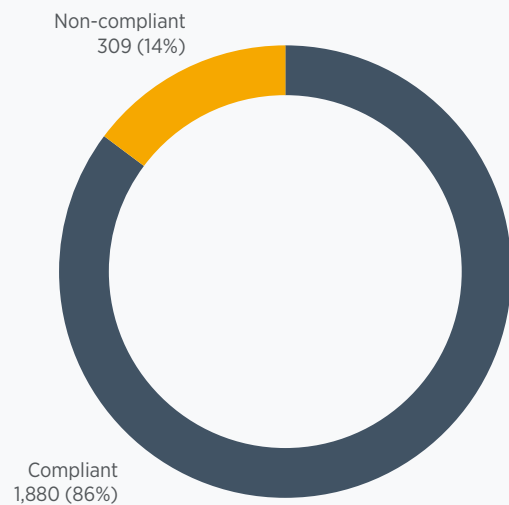
Benefits of early inspections include:

- preventing costs incurred from hidden defects prior to building handover
- saving builders money by holding subcontractors accountable
- targeting repeat offenders with poor building practices
- increasing on-site oversight to discourage poor behaviour
- educating licensees to understand legislative requirements, while ensuring buildings under construction are code compliant
- improving building quality by ensuring issues are caught during construction, before they are hidden
- referring serious compliance issues to other QBCC teams for further action.

TOTAL NUMBER OF INSPECTIONS



COMPLIANCE RATE FOR INSPECTIONS



BUILDING INSPECTION TRENDS

Proactive inspections on active residential and commercial construction sites identified there were a similar number of inspections completed in this reporting period as the previous, and the results confirm that the industry is maintaining its compliance level across the periods.

PROACTIVE BUILDING INSPECTION ACTIVITY

Proactive building inspections	705
Compliant sites	600
Sites with compliance issues that were rectified on-site	108
Rectified without an improvement notice	70
Improvement notices issued	38

Compliance rate
upon initial inspection **84.74%**

PLUMBING INSPECTIONS

Qualified QBCC Senior Plumbing Inspectors carry out plumbing inspections, focusing on regulated work such as water service installation, sewer and drainage systems, hot water units, and wall frame requirements for plumbing.

They assess whether the plumbing work meets the National Construction Code (NCC), Australian standards and manufacturers' specifications.

PROACTIVE PLUMBING INSPECTION ACTIVITY*

Proactive plumbing inspections	1,244
Compliant sites	1,106
Sites with compliance issues that were rectified on-site	138

Compliance rate
upon initial inspection **89%**

*Inspections may involve multiple activities and/or activities yet to be finalised.

PLUMBING TRENDS

In the January to June 2025 reporting period, the QBCC completed a further 1,244 proactive plumbing inspections adding to the 1,389 inspections from the previous six months.

These inspections reflect a sustained focus on proactive risk-based regulation by prioritising regulatory resources where the risk of harm is greatest. Encouragingly, overall compliance remains high—1,106 sites were found to be compliant, with 1,236 compliant in the previous six-month period.

In addition, more issues were resolved on-site without formal enforcement, with 29 instances of rectification at the time of inspection (up from 15).

These results show the effectiveness of the QBCC's graduated, educative compliance approach works to prevent harm early and support licensees in meeting their obligations.

As the QBCC continues to strengthen its compliance model, these proactive inspections play a critical role in protecting public health and safety, improving industry capability, and reducing the need for costly rectification work after handover.

FIRE SAFETY INSPECTIONS

Qualified QBCC Fire Inspectors carry out inspections focused on passive fire safety features, such as fire collars, doors, walls, service penetrations, emergency lighting and exits, and firefighting systems. They also provide on-site education.

Inspectors check that fire safety measures are installed according to approved plans, fire engineering reports, NCC and Australian standards. They may also work with Queensland Fire Safety officers to inspect occupied buildings and confirm fire systems are properly maintained.

Proactive field site visits	128
Compliant sites	92
Sites with compliance issues that were rectified on-site	36

Compliance rate
upon initial inspection **72%**

FIRE SAFETY TRENDS

The lower compliance rate reflects that the inspection program focuses on risk rather than random sampling, so compliance rates can vary based on the QBCC's operational choices—such as targeting higher-risk construction types or changing geographic focus—rather than reflecting industry-wide changes. Given the QBCC's data is still developing, long-term trends will become clearer as the sample grows and becomes more consistent. The ability to resolve issues on-site, without escalating to formal enforcement supports early intervention and problem-solving to prevent harm.

Between January and June 2025, the QBCC significantly increased its proactive fire safety inspections, completing 128 field site visits compared to 38 in the previous six-month period.

While the compliance rate slightly increased from 71% to 72%, this shift must be considered in the context of a much broader inspection footprint. Importantly, there were a number of non-compliant issues rectified on-site (36 sites or 28%) and 11 sites (28%) in the previous six-month period. These immediate rectifications indicate a responsive approach from licensees and reflect the QBCC's focus on educational, risk-based engagement.

The growth in inspection numbers demonstrates the prioritisation of proactive, intelligence-led regulation targeting areas of high risk, such as fire safety in mid-rise and high-rise buildings.

Moving forward, continued emphasis on fire safety education and engagement with industry stakeholders will remain key to lifting compliance in this critical area, and reducing life safety risks in both residential and commercial buildings.

MECHANICAL SERVICES INSPECTIONS

Qualified QBCC Mechanical Service Inspectors carry out inspections focused on mechanical systems, including air-conditioning installation and maintenance, ductwork, air contaminant drainage, and checking for gas leaks or poorly installed systems.

They also provide regular technical advice and inspect occupied buildings during the QBCC's dispute processes to ensure air-conditioning systems comply with the NCC.

MECHANICAL SERVICE INSPECTION ACTIVITY

Proactive field site visits	112
Compliant sites	83
Sites with compliance issues that were rectified on-site	29

Compliance rate
upon initial inspection

74%

MECHANICAL SERVICE TRENDS

During the reporting period, the QBCC conducted 112 proactive field inspections focused on mechanical services, representing a 93% increase from the previous reporting period (58 inspections). These inspections continue to play a vital role in securing early compliance and addressing emerging risks before formal regulatory action is required. This uplift prioritises intelligence-led, proactive engagement in areas of regulatory importance. Notably, most compliance issues identified were resolved on-site without escalation, demonstrating the effectiveness of early intervention in supporting voluntary compliance.

COMPLIANCE AND ENFORCEMENT—SITE VISITS

The QBCC's Compliance and Enforcement team carries out regular site inspections to check that licensing requirements are being complied with by the builder, their site supervisors and subcontractors. These visits also give the QBCC a chance to speak with property owners and licensees about work scopes and share helpful resources to support customer education.

COMPLIANCE AND ENFORCEMENT ACTIVITY

Number of site visits	219
Number of persons audited on-site	743
Number of confirmed unlicensed contracting offences	15
Number of confirmed contractors engaging unlicensed person offences	2

Compliance rate
upon initial inspection

98%

COMPLIANCE AND ENFORCEMENT TRENDS

During the reporting period, the QBCC's Compliance and Enforcement team conducted 219 site inspections and audited 743 individuals. This represents a significant decrease in inspection activity compared to the previous period (July to December 2024), which saw 818 inspections and 2,695 individuals audited. The reduction is attributed to the conclusion of a targeted proactive annual compliance campaign in late 2024, which temporarily expanded site visits beyond the standard program of work. Despite the lower number of proactive inspections, key compliance issues remained consistent—particularly unlicensed contracting, improper of licences and non-compliant advertising.

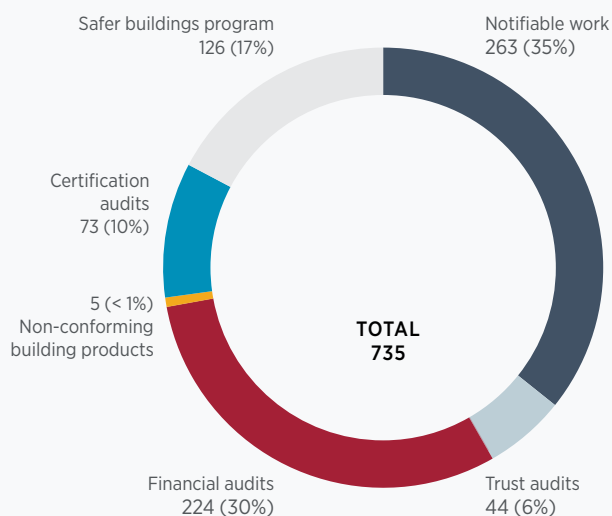
Significantly, this period saw a sharp rise in confirmed unlicensed contracting offences (15 up from 8), as well as a couple of confirmed cases where licensed contractors were found engaging unlicensed persons (2 down from 5). The data suggests that while fewer inspections were carried out, the intelligence-led targeting of higher-risk activities resulted in more effective identification of serious non-compliance and allows the QBCC to apply enforcement resources where the risk is highest. These inspections also provided valuable opportunities to engage with property owners and licensees, which improves their understanding of licensing obligations and acceptable work scopes.

Externally, several broader industry and economic trends may be contributing to compliance pressure. Continued high demand in the residential construction sector, combined with ongoing labour shortages across Queensland, may be increasing the risk of unlicensed individuals being engaged to meet project timelines—particularly by smaller or overstretched contractors. Additionally, the growing use of online platforms for advertising building and renovation services has made it easier for unlicensed operators to promote services directly to consumers, further reinforcing the need to address advertising compliance. These external pressures underscore the importance of ensuring the QBCC remains visible and active in the market to deter unlawful conduct, and maintain public confidence in the building and construction industry.

AUDITS

The QBCC conducts audits across various areas, including notifiable work, trusts, finances and certification. In line with its Compliance and Enforcement Strategy 2024–2026, these audits are risk-based. Licensees are chosen based on factors such as past non-compliance, how recently they were last audited or new information suggesting they may not be meeting their obligations.

TOTAL NUMBER OF AUDITS UNDERTAKEN



NOTIFIABLE WORK

Plumbing licensees must submit a Form 4 to the QBCC for any notifiable plumbing work. Each financial year, the QBCC audits licensees by comparing their lodged Form 4s with their issued invoices to ensure all notifiable work is properly recorded. These audits help detect non-compliance, uphold public health standards and support the integrity of Queensland's plumbing industry.

NOTIFIABLE WORK AUDIT OUTCOMES

Audits undertaken*	263
Compliant	146
Non-compliant	86
In progress	24

Compliance rate upon initial audit

67%

* The QBCC does not undertake inspections of notifiable work. This does not include withdrawn or cancelled audits. A withdrawn audit is an audit that is initiated but formally discontinued due to valid reasons preventing completion—such as the licensee not contracting, experiencing health issues or facing other legitimate challenges.

REGULATORY ACTION

Non-compliant—considered minor—no further action (NFA)	33
Education provided and referred for re-audit	37
Referred for investigation	3

TOP FIVE CATEGORIES OF NOTIFIABLE WORK

1.	Category 6	Installing, replacing or removing a water heater
2.	Category 1	Extending, altering, replacing or removing water supply pipes
3.	Category 5	Installing, replacing or removing a temperature control device
4.	Category 3	Extending, altering, replacing or removing sanitary plumbing
5.	Category 9	Installing or relocating a fixture in a class 1 or 10 building

TRUST AUDITS

Some projects require licensees to set up a Project Trust Account (PTA) and a Retention Trust Account (RTA). The QBCC audits these accounts to make sure they are managed according to legal requirements.

The QBCC undertakes these audits to protect payments intended for subcontractors and suppliers, ensuring that trust funds are used appropriately and in accordance with legislative requirements—thereby supporting financial security and fairness in the building and construction industry.

TRUST AUDIT OUTCOMES*

Companies selected for audit	44
NFA—retention account not required	0
Non-compliant	66
In progress	34
Regulatory action—education	65
Prosecution (in progress)	4

* Note: The numbers in this table vary as some audits were commenced in a prior reporting period and finalised during this reporting period, and some audits were performed in response to an identified risk (e.g. insolvency concerns) rather than as part of the planned audit program.

TOP FIVE TRUST AUDIT NON-COMPLIANCE ISSUES

(RELEVANT LEGISLATION IS *BUILDING INDUSTRY FAIRNESS (SECURITY OF PAYMENTS) ACT 2017*)

1.	s 52(1)	Trustee fails to keep proper trust records
2.	s 20A(1)	Trustee withdrawal from PTA for unlawful purpose
3.	s 18B (2)	Trustee fails to ensure PTA held under required name
4.	s 20A(2)	Trustee fails to repay amount withdrawn from PTA for unlawful purpose as soon as practicable
5.	s 18(1)	Contracted party fails to open PTA

FINANCIAL AUDITS

The QBCC conducts both proactive and reactive financial audits to ensure licensees meet their Minimum Financial Requirements (MFR) and remain financially stable. These audits are usually triggered when there are serious concerns about a licensee's financial position or if they fail to provide requested financial documents.

Licensees must submit financial records prepared by a qualified accountant that meet specific accounting standards. Audits often focus on those considered at higher risk of financial failure or suspected of serious non-compliance with MFR.

FINANCIAL AUDIT OUTCOMES

Financial audits commenced	224
Audit complied with and met MFR	112
In progress	108
Non-compliant audits*	83

* Non-compliant audits refer to any financial audit that was closed for a reason other than by way of meeting the MFR.

OUTCOMES OF THE NON-COMPLIANT AUDITS*

Licences cancelled (non-compliant with audit)	23
Licences cancelled (other reason)	30
Licences cancelled (contractor request)	15
Audits withdrawn (MFR no longer applies)	15

* Numbers in these tables may not add up because of carryover of audits commenced in the previous period.

NON-CONFORMING BUILDING PRODUCTS (NCBPs)

In August 2017, new Queensland laws were introduced to make everyone in the building product supply chain—such as designers, importers, manufacturers, suppliers, installers, architects and engineers—responsible for making sure building products are safe and suitable for their intended use.

These laws require that building products come with clear information about their purpose, and that this information is passed along the supply chain. The QBCC audits building products to ensure they are safe, meet relevant standards and are fit for use.

The QBCC proactively and urgently addressed safety concerns in March 2025, directing urgent interim measures after reports of spontaneous glass balustrade breakages at a residential apartment block on the Gold Coast. The investigation confirmed eight incidents of spontaneous glass breakage, raising serious safety concerns. It was determined that the glass balustrades were a non-conforming building product. In consultation with structural engineers, the developer replaced over 2,700 glass panels in the apartments due to missing heat soaking certification. The works are now completed, and compliance has been confirmed. This action demonstrates our prioritisation of consumer protection, mitigating risk and utilising all the tools in our toolkit.

NCBP AUDIT OUTCOMES

Audits opened	5
Audits closed	7
Audits that resulted in a finding*	3
In progress	3

* Numbers in these tables may not add up because of carryover of audits commenced in the previous period.

CERTIFICATION AUDITS

Building certifiers must ensure that buildings comply with all relevant laws and codes. They are required to follow a strict Code of Conduct and always act in the public interest.

The QBCC's Certification unit audits certifiers across Queensland to ensure they are meeting their legal and ethical responsibilities. There are two types of audits:

- Assessment audits—review certifiers' files and processes.
- Technical audits—involve on-site inspections of construction work.

These audits also help improve compliance by spotting trends and offering early education and support.

CERTIFICATION AUDIT OUTCOMES

Total completed audits		73
	Technical audits	Assessment audits
Completed audits	54	16
Conduct satisfactory—no recommendations	16	5
Conduct satisfactory— with recommendations	38	5
Not conducted due to insufficient information or evidence*	0	1
Not conducted strategic*	2	3
Audits unsatisfactory conduct with reprimand	0	0

*Not conducted NFA occurs where the certifier retains a licence in Queensland but is not performing the certification functions in Queensland, or where the certifier has already had multiple sites audited in a financial year.

TOP FIVE CERTIFICATION NON-COMPLIANCE ISSUES

(RELEVANT LEGISLATION IS *BUILDING ACT 1975* AND *BUILDING REGULATION 2021*)

1.	s 36 reg	Failure to maintain records of competent persons
2.	s 24, s 26, s 32 act	Termite management documentation deficiencies
3.	s 141 act	Engagement of a private certifier not in writing does not clearly state the fees payable
4.	s 30, s 83 and s 84 act	Boundary setback non-compliance
5.	s 143 and s 143A act	Delayed statutory notifications—failing to meet required timeframes

SAFER BUILDINGS PROGRAM

In 2018, Queensland introduced Part 4A of the Building Regulation 2006 to identify privately owned buildings with potentially combustible cladding.

Building owners were required to register and complete a self-assessment using the Combustible Cladding Checklist.

If a building was found to be a Cladding Fire Risk (CFR) and the cladding has not been removed or fixed, the owner must display an 'Affected Private Building Notice' to inform the public.

If owners don't comply after being informed, the QBCC may take regulatory action.

SAFER BUILDINGS PROGRAM AUDIT OUTCOMES

Audits undertaken	126
Compliant	114
Non-compliant	12
Education	7

AUDIT TRENDS

During the reporting period, the QBCC completed 735 audits across key regulatory areas including notifiable work, trust accounts, financial viability, building product safety, certification and the Safer Buildings Program, up from 638 in the previous six-month reporting period.

In this reporting period, notifiable work audit outcomes showed a decrease in compliance from 79% in the previous period to 67% despite a stable number of audits being completed. Non-compliant audits increased from 49 to 86, indicating ongoing issues with plumbers failing to register Form 4/4As as required when undertaking notifiable work. The most common types of notifiable work performed are consistent over time, suggesting that non-compliance issues do not relate to specific types of work and affect the industry more broadly. This highlights the need for targeted education and enforcement to improve compliance rates in the plumbing sector.

Fewer new trust account audits were initiated this period, with only 44 companies selected compared to 70 in the previous period. This reduction reflects a strategic focus on finalising existing audit matters, allowing the team to address outstanding work before commencing additional audits. However, non-compliance levels rose sharply (66 non-compliant vs 36) and resulted in increased regulatory education outcomes (65 vs 36). This suggests that many licensees continue to struggle with the complexity of trust obligations.

Financial audits increased (224 vs 178), with a rise in both compliance (112 vs 91) and serious non-compliance outcomes, including 23 licence cancellations directly linked to audit failure (compared to 3 in the previous reporting period) and a broader increase in other cancellations (30 vs 8). External factors such as rising construction costs, delays in material supply chains and reduced profit margins are putting financial strain on builders across Queensland. These industry pressures increase the risk of insolvency or poor financial management, making financial audits a critical tool in identifying early warning signs and preventing market disruption.

In the certification space, audit activity more than doubled in this reporting period (73 vs 30), with an encouraging 89% assessed as satisfactory. However, recurring issues in documentation practices and legal interpretation persist as the complexity of certification is increasing.

These findings reinforce the importance of targeted education and practical guidance. Given wider industry concerns around certifier capacity and retention, supporting certifiers to meet their obligations, rather than relying solely on enforcement, offers a more balanced and sustainable approach to ensuring compliance and maintaining public confidence.

Under the Safer Buildings Program, audit activity doubled during the reporting period (126 vs 62), reflecting the QBCC's continued focus on monitoring compliance with combustible cladding requirements given this is an enduring risk and focus area. This led to 114 compliant outcomes (compared to 61 in the previous reporting period) and 7 educational outcomes (compared to 1), demonstrating improved responsiveness and understanding among building owners. With public expectations around building safety remaining high, particularly following international and national attention on cladding and broader construction quality issues, this work reinforces the QBCC's important role in maintaining public confidence through proactive audits and clear regulatory communication.

NCBP audit numbers remained low due to the number of complaints received and an effective triage process in place to ensure that only matters that warrant technical assessment and regulatory attention progressed to audit. Ongoing risks persist highlighting the importance of sustained vigilance in this area, particularly in education activities given the interconnected obligations across designers, manufacturers, suppliers and installers within the product supply chain.

RESIDENTIAL CONSTRUCTION WORK COMPLAINTS AND INSURANCE CLAIMS

The QBCC manages complaints from home owners and contractors involving defective work, incomplete building work or subsidence.

Each complaint made by a home owner may include multiple defective or incomplete items. The QBCC investigates whether a defect exists and if so, determines who is at fault. If it is determined the contractor or their subcontractors are at fault, the QBCC may direct the contractor to rectify the items.

The QBCC also administers the Queensland Home Warranty Scheme (QHWS) for residential construction work. Should the 'at fault' contractor not remedy defective or non-complete items identified during the dispute resolution process, the QBCC will assess whether the items are covered under the QHWS.

The QHWS protects home owners if building defects, non-completion or subsidence issues are not remedied by the contractor and offers a total coverage up to \$200,000.

If the QBCC determines the items are covered under the QHWS, noting certain criteria must be met to be eligible, the QHWS will appoint a panel builder to rectify the works and the QBCC will then seek to recover the cost from the responsible contractor.

DEFECTIVE WORK COMPLAINT OUTCOMES

Disputes received	3,256
Disputes finalised	2,830
Complaint items	27,974

BREAKDOWN OF ACTION

NFA*	1,850
Referred for building inspection	1,374
Disputes finalised prior to inspection	156
Directions to rectify issued	656
Failure to rectify issued	186

*NFA is taken for reasons including insufficient information received, outside jurisdiction, time limit expired, telephone facilitated agreement reached or withdrawn.

TOP FIVE DEFECTIVE ITEMS REPORTED

1.	Roof cladding
2.	Joinery
3.	Painting
4.	Floor tiling
5.	Internal wet areas waterproofing membranes

QUEENSLAND HOME WARRANTY SCHEME CLAIMS*

Number of claims received	868
Number of claims approved	279
Number of claims in progress	1,306
Value of claims approved in the period	\$22,681,688

* Numbers in these tables may not add up because of carryover of cases received in the previous period.

DEFECTIVE WORK AND INSURANCE TRENDS

In the reporting period, the QBCC received 3,256 defective building work disputes, an increase from 2,516 in the previous six-month period. Despite the 29% increase in complaints from the previous reporting period, inspection wait times have remained stable at nine weeks which supports the industry and consumers to achieve efficient and timely outcomes. The rise in the number of disputes likely reflects the impact of significant weather events across Queensland in the early months of 2025. It may also indicate heightened consumer awareness of the QBCC's dispute resolution process and ongoing concerns about workmanship quality in the residential construction sector.

Despite this, dispute finalisation rates remained steady (2,830 vs 2,774), and there was a substantial increase in the number of individual compliant items assessed (27,974 compared to 20,300). This suggests that while more disputes were received, each matter also included more detailed or complex claims. Notably, roof cladding replaced painting as the most reported defective item, reflecting a shift in the types of issues encountered on-site. This may be influenced by external environmental factors such as extreme weather events, material shortages or installation errors due to labour constraints.

In this reporting period, the QBCC also issued 656 directions to rectify defective building work, an increase from 565 in the previous period, indicating a continued regulatory focus on holding contractors accountable for meeting required standards.

Meanwhile, the proportion of disputes requiring formal building inspections remained relatively consistent (1,374 vs 1,478), while the number of disputes finalised prior to inspection also remained stable (156 vs 151). These patterns suggest a continued reliance on dispute resolution mechanisms and voluntary compliance from licensees.

Under the QHWS, 868 claims were received (up from 829), and 279 were approved, down from 465 in the previous six months. The total value of approved claims also decreased significantly from \$32.93 million to \$22.68 million. More data will be collected in future reporting periods to determine long-term trends as there has been fluctuation in the number and value of claims, which makes it difficult to confidently comment on the sample. Claim key performance measures have largely been achieved under the Claims Management Improvement Project, highlighting operational improvements and efficiencies regarding claims processing speed, accuracy and customer satisfaction.

The QBCC has expanded its Rectification Panel to improve customer service by ensuring faster access to qualified contractors once a claim is approved. This initiative enhances efficiency in project delivery, helping resolve building issues more quickly and effectively for Queenslanders.

Externally, sustained supply chain challenges and increased construction demand across Queensland may be contributing to higher defect volumes and slower defect rectification. Additionally, emerging trends in construction materials and techniques may be resulting in new types of defects, such as those associated with roof cladding, requiring updated technical guidance and contractor training. These trends underscore the importance of targeting high risk and recidivist non-compliant behaviour, particularly where failure to rectify occurs, and ensuring contractors are held accountable for defective or incomplete work.

MEDIATION AND CONCILIATION

In October 2023, the QBCC started a Mediation and Conciliation Pilot Service to help home owners and contractors resolve disputes about defective residential building work. An experienced, neutral conciliator helps both sides communicate and negotiate in good faith. If they reach an agreement, the conciliator can write it up in a Conciliation Agreement.

This process can quickly resolve some or all issues, reducing the need for further action by the QBCC. If no agreement is reached, the usual regulatory process continues without delay or disadvantage.

MEDIATION AND CONCILIATION OUTCOMES*

Cases referred to a conciliator	72
Cases progressed to a conciliation session	56
Total complaint items for all conciliation cases	465
Cases fully resolved	26
Complaint items in fully resolved cases	162
Cases partially resolved	12
Complaint items resolved partially resolved cases	169
Complaint items pending final agreement	61
Unresolved cases	18
Unresolved case complaint items	134

* Note: Each dispute can include several issues the property owner believes are defective.

MEDIATION AND CONCILIATION TRENDS

Although there have only been two reporting periods to date, early data suggests that the effectiveness of the QBCC's conciliation process is steadily improving. In the first reporting period (July to December 2024), 57% of cases that proceeded to conciliation had some or all complaint items successfully resolved. This increased to 68% in the second period (January to June 2025), indicating growing success in resolving disputes through early intervention. These outcomes align with the QBCC's focus on enhancing awareness and education to support voluntary compliance by helping parties better understand their rights, responsibilities, and options for resolution outside of formal enforcement channels.

De-identified conciliation data is monitored regularly, and as the pilot service continues to mature, emerging insights highlight the value of embedding alternative dispute resolution mechanisms into the broader regulatory framework. Ongoing evaluation will inform how the service can be refined or scaled to deliver fair, efficient and proportionate dispute resolution across the sector.

INVESTIGATIONS, ADJUDICATIONS AND PROSECUTIONS

INVESTIGATIONS

As outlined in the Compliance and Enforcement Strategy 2024–2026, the QBCC uses a risk-based approach to regulation. This means it focuses its efforts on the most serious issues. While all reported breaches are assessed, not all can be fully investigated. Priority is given to cases with strong evidence and those that pose the greatest risk to the public or the building industry.

When a high-risk issue is identified, the QBCC tailors its response by using tools like education, engagement, monitoring and enforcement. The focus is on prevention—helping people comply before problems grow.

Minor breaches may result in education or support, while serious or repeated offences can lead to stronger actions like public warnings, prosecution, or licence suspension or cancellation.

COMPLIANCE INVESTIGATION OUTCOMES

Cases opened	1,800
Cases closed	1,671

TOP FIVE INVESTIGATIONS UNDERTAKEN (RELEVANT LEGISLATION IS *QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION ACT 1991*)

1.	s 42(1)	Unlawful building work
2.	sch 1B	Non-compliant domestic building contracts and associated offences
3.	pt 5	Non-compliance with the statutory insurance scheme
4.	s 51	Improper use of licence
5.	s 53 and s 53C	Advertising offences

REGULATORY ACTION TAKEN

Number of warnings/educations	636
Number of Prescribed Infringement Notices (PINs)	509
Number of prosecution briefs referred seeking prosecution of offenders	17
Number of disciplinary actions	4

TOP THREE OFFENCES FOR PINS ISSUED

1.	s 73	Fail to comply with a direction to rectify or remedy defective building work
2.	s 42(1)	Unlawful carrying out of building work
3.	s 68B(2)	When insurance premium is payable by licensed contractor

FINANCIAL COMPLIANCE

The Minimum Financial Requirements (MFR) Regulation was introduced in Queensland on 1 January 2019 to reduce financial failures and ensure people in the building industry are paid fairly. It's part of the QBCC's role to create a stronger, fairer industry.

The regulation sets out the financial standards contractors must meet to show they have a stable and sustainable business. This includes having enough working capital (net tangible assets) to support their annual turnover (maximum revenue) and being able to pay their debts (measured by the current ratio).

Most contractor licensees must prove they meet these requirements when they apply for a licence and through ongoing financial reporting. If the QBCC suspects a licensee is not complying, it can investigate and request up-to-date financial records, like internal management accounts. If problems are found, licensees are usually given a chance to fix them, often by improving their net tangible assets. These improvements are tracked by the QBCC as the total amount of money reinvested into the industry.

FINANCIAL INVESTIGATIONS

Total requests for internal management accounts	121
Total \$ value injected back into the industry	\$21,729,000

The Financial Compliance team also investigates complaints from subcontractors who have not been paid for their work. Not paying a debt when it is due is a breach of the conditions for holding a QBCC licence.

MONIES OWED COMPLAINTS

Complaints received	421
Complaints finalised	400
Complaints in dispute (unable to be dealt with and referred to alternative process i.e. adjudication process or QCAT)	94
\$ value of complaints received	\$9,190,354
\$ value of money recovered	\$2,788,384

ACCOUNTANT EXCLUSION

The QBCC can ban an accountant from preparing MFR reports for three years if, within the past three years, the accountant has:

- given false or misleading information to a licensee or the QBCC about meeting MFR requirements
- failed to provide required MFR information to the QBCC
- ignored a previous exclusion notice.

Before making this decision, the QBCC contacts the accountant to explain its concerns and gives them a chance to respond. If exclusion is not considered necessary, the QBCC may issue a warning instead and offer further education on the MFR.

During this reporting period, the QBCC excluded one accountant from preparing MFR reports for three years, highlighting the QBCC's commitment to maintaining the integrity of the MFR framework. Accurate and reliable financial reporting by accountants is critical to ensuring licensees meet their financial obligations and to safeguarding the financial stability of the industry. While formal exclusions remain rare, this action reinforces the seriousness with which the QBCC views non-compliance, particularly where misleading or insufficient financial information may undermine regulatory oversight.

The QBCC depends on accountants to provide accurate financial information about licensees. This helps the QBCC identify risks and support the sustainability of Queensland's building industry.

To support licensees and accountants, the QBCC offers educational resources on its website, including MFR guides. It also runs regional tours and webinars to help people understand and meet MFR requirements, and shares insights and data with these stakeholders in line with objective number four (4) in the Compliance and Enforcement Strategy 2024–2026.

ADJUDICATIONS

Adjudication is a fast and cost-effective way to resolve payment disputes in the building and construction industry. It is governed by the *Building Industry Fairness (Security of Payment) Act 2017* (BIF Act) and designed to help construction industry participants be paid on time, supporting cash flow and financial stability.

Independent adjudicators (not employed or engaged by the Adjudication Registry or the QBCC) decide how much money is owed in a dispute (Adjudicated Amount). They are qualified and registered through the Adjudication Registry.

Applications for adjudication must comply with the requirements of the BIF Act. They can be withdrawn if the claimant stops the process or if the payment sought by the claimant in the adjudication application is made.

Many applications are withdrawn, often because payment was received by the claimant or a settlement was reached between the parties to the dispute.

Adjudicators charge fees for their decisions. Payment of these fees and the Adjudicated Amounts that are determined to be payable by adjudicators, can be enforced by the courts. The goal is to keep money moving in the industry.

The BIF Act creates certain offence provisions, including that it is an offence not to pay an Adjudicated Amount or fail to serve a payment schedule. Where potential offences are identified, the Adjudication Registry reports them to the QBCC's Financial Compliance branch for investigation.

ADJUDICATION OUTCOMES

Valid applications received	175
Value of valid applications received	\$193,702,366
Applications withdrawn	62
Value of claims withdrawn due to discontinuance	\$89,702,383
Value of claims withdrawn due to payment	\$25,554,667
Decisions released	106
Adjudicated amount awarded to claimants	\$48,563,395

PROSECUTIONS

The Compliance and Enforcement Strategy 2024–2026 outlines several regulatory tools that the QBCC can use to achieve compliance. They range from providing education and issuing warnings for lower risk non-compliance, up to commencing prosecution action for more serious and higher risk offences.

PROSECUTION OUTCOMES

Matters commenced	26
Matters in progress	34
Prosecutions finalised	26
Prosecutions discontinued	5
Defendants sentenced (guilty pleas or ex parte)	21

CHARGES PROSECUTED*

s42 offences	(unlawful carrying out of building work)	17
s50D offence	(person must not pretend to be a licensee)	1
s53C offences	(advertising by unlicensed person)	1
s19(2) BIF Act	(contracting party must deposit the amount into the project trust account)	1
s111B	(liability of executive officer for particular offences committed by company)	3
s33, sch 1B offences	(deposits)	11
s30, sch 1B offences	(contracted services must not start before regulated contract complies with requirements)	9
Total charges prosecuted		43
Total value of fines imposed		\$308,757
Total value of any restitution/compensation/costs awarded		\$90,462
» Costs		\$42,177
» Compensation and restitution		\$48,284

* Numbers in these tables may not add up because of carryover of cases received in the previous period.

INVESTIGATION, ADJUDICATION AND PROSECUTION TRENDS

Between January and June 2025, the QBCC continued to apply its risk-based regulatory approach by prioritising investigations and enforcement actions that pose the greatest risk to public safety, financial integrity and industry confidence. The number of compliance investigations opened slightly decreased (1,800 vs 1,938), as did the number finalised (1,671 vs 1,947).

Unlawful building work is an enduring and priority focus area, and remained the primary focus of these investigations, reinforcing the QBCC's commitment to addressing poor or illegal practices that undermine trust in the construction sector. Increased use of regulatory tools was evident, with 636 warnings issued (up from 446) and 508 Penalty Infringement Notices (PINs) issued (up from 476). Failure to comply with a direction to rectify remained the leading reason for issuing PINs, while non-payment of insurance premiums by licensed contractors emerged as the third most common offence under section 68B(2) of the QBCC Act.

Over the past three to four years, there has been a sustained regulatory challenge relating to the application of escalating penalties for unlicensed contracting (ULC) offences. Following this legislative update, the QBCC will likely commence prosecution action for second or subsequent ULC offence. This trend reflects the QBCC's firm stance on ULC conduct, consistent with the priorities outlined in the Compliance and Enforcement Strategy 2024–2026.

In terms of adjudication activity, the number of valid adjudication applications rose to 175 for the reporting period (up from 149 from the prior reporting period), indicating ongoing industry reliance on the mechanism for resolving payment disputes under the *Building Industry Fairness (Security of Payment) Act 2017*. Overall, the total value of those applications dropped from \$323 million to \$193 million. Ongoing use of adjudication by construction industry participants indicates that the regulatory mechanism is of value to the industry in providing an avenue to resolve payment disputes.

In financial investigations, 121 requests for internal management accounts were made (down from 182), and while the total value reinvested into the industry was lower than the previous period (\$21.72 million vs \$59 million), this still represents a significant financial stabilisation effort. Monies owed complaints remained steady (421 vs 433), but the total value of those complaints rose to \$9.19 million (up from \$7.93 million), suggesting that payment issues are increasing in severity. Although fewer disputes were finalised (400 vs 459), the amount recovered improved to \$2.78 million (compared to \$2.60 million), reinforcing the QBCC's role in upholding payment obligations and protecting subcontractors—core goals of the MFR Regulation.

Prosecution activity reflects a strategic pivot toward finalising legacy and complex matters. Although fewer prosecutions were commenced in this period (26 vs 41), almost double the number were finalised (26 vs 15) and the total number of defendants sentenced increased (21 vs 13). This resulted in a significant rise in fines imposed (\$308,757 vs \$137,503), as well as higher awarded costs and restitution (\$48,284 vs \$1,465). These outcomes demonstrate a clear return on enforcement action, supporting the QBCC to deliver meaningful enforcement outcomes by ensuring penalties reflect the seriousness of non-compliance and deter future misconduct.

LICENSING

The Licensing Services branch handles key licensing responsibilities including:

- assessing licence applications and deciding whether to approve or refuse them
- renewing licences when they are due
- providing advice on what work different licence classes cover
- maintaining a variety of public registers of licensees under different laws
- updating licensee details when their circumstances change.

The branch also supports regional office staff with training and guidance on licensing.

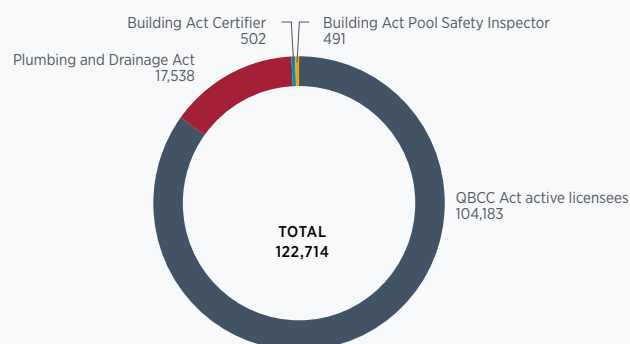
Last financial year the QBCC licensing program finalised 19,276 applications for licences and permits. As of 30 June 2025, there were 122,714 active licences, many of those including several classes of building work in their scope.

Licensing Services also takes action against licences when required—this can include imposing conditions, suspending or cancelling a licence. These actions can be taken for several reasons as outlined in the following tables.

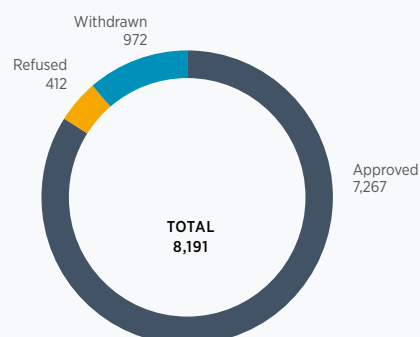
SUSPENSION REASON TYPE

Annual licence fee not paid	5,983
Breach of licence condition	2
Breach of MFR	11
Failure to comply with an audit	36
Failure to pay debts	34
Immediate suspension	1
No current nominee	88
Undischarged debt to the QBCC	0
TOTAL	6,157

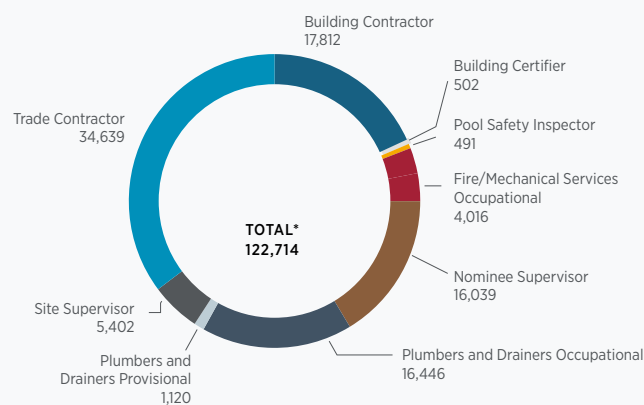
ACTIVE LICENSEES BY LEGISLATION



LICENCE APPLICATIONS FOR 6 MONTH PERIOD (JANUARY-JUNE 2025)

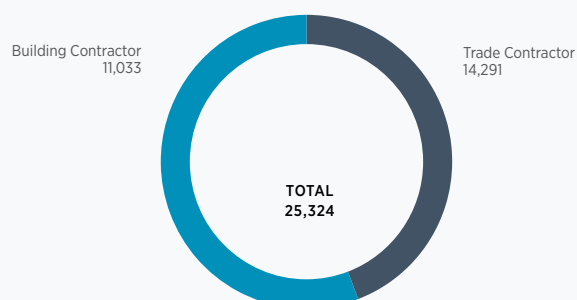


BREAKDOWN OF INDIVIDUAL LICENCE TYPE*



*Note: As licensees may hold more than one type of licence, the segment totals do not add up to the overall total.

BREAKDOWN OF COMPANY LICENCE TYPE



CANCELLATION REASON TYPE

Annual licence fee not paid	2,440
Breach of licence condition	4
Breach of MFR	10
Contractor request	634
Convicted of indictable offence	0
Deceased	31
Disqualified individual	0
Excluded	116
Failure to pay debts	15
Failure to comply with an audit	23
No current nominee	36
Not fit and proper to hold a licence	1
Undischarged debt to the QBCC	0
TOTAL	3,320

LICENSING TRENDS

As of June 2025, there were 122,714 (+2,031) active QBCC licences, representing a steady state in the total number of licensees compared to the previous period (120,683). This stability in the licensing base reflects a maturing construction market in Queensland, with consistent levels of industry participation despite broader economic fluctuations.

A modest increase in licence approvals was observed (7,267 vs 6,775), suggesting continued interest in entering or expanding within the building and construction industry. The number of withdrawn applications rose in this reporting period (972 vs 688). Wherever possible staff employ an upstream approach and advise applicants if their application is fundamentally flawed or may not align with the activities they wish to undertake as a business—allowing them to withdraw an application lacking utility. Licence refusals remained consistent at 412 for both periods, demonstrating continued application of a robust assessment process to ensure only qualified individuals and companies are approved, and underscoring the importance of supporting industry professional training—aligning with the QBCC's Compliance and Enforcement Strategy 2024–2026.

Suspensions and cancellations rose in this reporting period, with 6,157 licences suspended (up from 5,098) and 2,240 licences cancelled for non-payment of annual fees (up from 2,049). These were overwhelmingly (around 96% of suspensions) due to unpaid licence fees, rather than issues with conduct or competency. The QBCC reminds licensees prior to renewal dates as well as issuing notices of proposed suspension and cancellation allowing them time to pay renewals should they wish to retain their licence.

This suggests licensees make a conscious decision not to renew which could be for a variety of reasons. Notwithstanding this, the total number of current licensees continues to grow.

Company licence types showed a slight drop in trade contractor licences (13,964 vs 14,291), while company building contractor licences remained stable (10,782 vs 11,033). In contrast, individual licence figures showed relative consistency across both builder and trade contractor classes.

REGULATORY INTELLIGENCE

The QBCC is strengthening its intelligence-led approach to compliance by focusing on high-risk people and activities in the building industry. This helps the QBCC carry out targeted, risk-based regulation.

In early 2024, the QBCC set up the Regulatory Reform and Insights branch to improve its use of data and insights. Within this branch, the Regulatory Intelligence and Insights unit uses analytics and information to support proactive compliance, improve enforcement outcomes, raise industry standards and protect consumers. Also in this branch is the Service Improvement and Policy unit, which conducts research, performs consultation and develops reform options that aim to support the work of the compliance and enforcement teams, and to increase awareness of improvement opportunities.

By turning information into actionable intelligence, the QBCC is now better able to identify potential risks and harmful behaviour.

REGULATORY INSIGHTS SCANS

SYSTEMIC AND EMERGING RISKS

Across the January to June 2025 reporting period, the QBCC maintained its focus on enduring and emerging risks affecting Queensland's building and construction industry, in line with its Compliance and Enforcement Strategy 2024–2026. Several systemic and structural pressures continued to influence regulatory activity and risk exposure across the sector.

Labour shortages and delays to skilled migration reforms are also exerting pressure on build quality and compliance. In response, the QBCC increased its regulatory engagement, issuing 636 warnings compared to 446 in the previous reporting period, while maintaining similar levels of infringement notices. Strengthened oversight of training providers and licensee qualifications remains a critical focus to safeguard safety and performance standards in a stretched labour market.

Queensland's growing housing supply shortfall is forecast to reach 96,000 dwellings by 2029, which is placing further pressure on the industry to build faster. While QHWS claims and defective work complaints remained stable in volume, the reduced number of claims finalised suggests a potential bottleneck in resolving disputes. The top five types of defects include roof cladding, joinery, painting, floor tiling and internal wet areas, highlighting where regulatory and quality risks continue to materialise. The QBCC is collaborating with industry to identify and develop resources and training that improve understanding of defects and support compliance with building standards aimed at reducing defective work, to ultimately strengthen industry capability and enhance quality for home owners.

Rising construction costs, forecast to increase by 30% in Brisbane by 2029, also pose challenges to industry solvency and contractual compliance. The QBCC received a similar number of monies owed complaints this year. However, the total value of complaints rose to over \$9 million, up from almost \$8 million, indicating higher financial risk per complaint. This reinforces the need for ongoing financial monitoring and consumer education to support fair contracts and informed decision-making.

Simultaneously, the evolving regulatory environment, including the implementation of NCC 2025, has prompted the QBCC to update audit frameworks, educate industry on compliance pathways and support simplification efforts. Public expectations remain high as changes take effect, and proactive communication and transitional compliance support will be critical in maintaining industry and consumer confidence.

The QBCC is also assessing a range of risks and emerging issues, including digital capability requirements, the rise of sustainable building practices, increased industrial relations activity and the impact of infrastructure-led demand ahead of the 2032 Brisbane Olympic Games. A significant rise in construction insolvencies, up 26% with 1,999 recorded year-to-date, has reinforced the importance of proactive financial regulation and the continued application of the MFR framework to protect consumers and market stability.

Through this integrated and forward-looking approach, the QBCC continues to respond to both long-term structural pressures and new market dynamics, ensuring its regulatory approach remains effective, proportionate and aligned with strategic priorities.

Need more information?

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

