

Licensing builders and building trades

(Report 16: 2019–20).
Tabled 23 June 2020.

Welcome

Welcome to our presentation on the performance audit report on licensing builders and building trades.

Please note that this is a summary and the full report can be read on our website.

Audit objective

In this audit we assessed whether the Queensland Building and Construction Commission (QBCC) effectively regulates the building industry by issuing and managing licences in a fair and balanced way.

Context

The building and construction industry is a significant contributor to the Queensland economy. In 2018–19, it was responsible for employing around 230,000 people and contributing around \$46 billion to the state.

Licensing of commercial and domestic building and construction work can increase public confidence in the sector. It ensures people working in the industry satisfy and continue to meet minimum eligibility requirements, and have the skills, knowledge, and financial resources to competently carry out building work.

Over the past 20 years, the industry has changed significantly, creating new risks and challenges for regulation. Events in other jurisdictions and overseas show what can happen if the behaviour of the building industry does not meet community expectations and accepted building standards.

Changes to the industry and legislation have significantly impacted QBCC. In 2016, it refocused its role as a regulator, away from a complaints-driven licensing authority. QBCC now has more powers to enforce the integrity and probity of the sector and the community expects it to use these powers. But to become more risk-focused it needs better data, analytics and automation.

Our conclusions

QBCC recognises the imperative to move from a complaints-driven licensing authority to a risk-focused, insights-driven regulator. It has the building blocks needed to transform the organisation, but implementing and embedding these into the organisation is taking time. Progress is hindered by a lack of data, resources, skills, and capability.

Managing licences needs a more targeted compliance program to be fully effective. The current program, while driven by agreed priorities, is too operational.

QBCC has effective processes and probity checks in place to assess whether licence applicants meet requirements. There is a risk that fraud in relation to licence applications could go undetected. Control changes that are relatively easy to implement could mitigate the risk.

What we recommend

We made 11 recommendations to help QBCC become a stronger and more effective regulator, including strengthening controls and improving planning and reporting. They highlight the critical need for QBCC to commit resources and build capability as it becomes a risk-focused, insights-driven regulator.

For more information

For more information on the issues, opportunities and recommendations highlighted in this summary presentation, please see the full report on our website.

Thank you.