# Queensland Building Plan UPDATE 2021





# Minister's foreword

Queensland has a strong, resilient and innovative building and construction sector. Each year it contributes \$47 billion to our state's economy and puts food on the table for around 230,000 Queensland families.

Queenslanders are proud of the State they've built, it's **the** place to live, work and play.

Our government has been actively engaged with the building and construction industry since the release of the Queensland Building Plan in 2017.

Together, we've tackled the tough issues such as non-conforming building products, security of payment protections for subcontractors and financial sustainability for construction companies. We've addressed issues such as licence certification and skills recognition so people are appropriately qualified for the work they perform protecting both consumers and skilled trades.

We've set higher standards for quality and accessibility, as well as accountability for building products so that we continue to restore confidence within the industry and for Queenslanders where they live, work and spend their leisure time.

Today, Queensland also has a stronger regulatory framework to ensure everyone plays by the rules. Both the industry and consumers are seeing the benefits of our landmark reforms. There is significant growth in the number of development approvals across the state, as well as global recognition for our well-considered, common-sense approach to issues such as flammable cladding.

There's no doubt the COVID-19 pandemic has significantly impacted how the industry, and indeed all industries, operates. While the industry has shown exceptional resilience, the pandemic has served as a stark reminder of the work Queenslanders have done ... and the work we've yet to do.

The Queensland Building Plan guides changes to policy and legislation so that, together with industry, we deliver on our objectives of creating a safer, fairer and more sustainable industry. It also sets the long-term strategic direction for the industry and creates a platform that supports future job opportunities and economic growth.

In releasing this update, the Queensland Government is reaffirming its commitment to consult closely with key industry stakeholders and citizens as we keep building on our significant achievements to date, while also recognising the emerging trends and challenges that are re-shaping our world.

2023

The Honourable Mick de Brenni MP

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



#### **QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION**



#### **Objectives**

Deliver a stronger, more effective industry regulator that builds trust and confidence in Queensland's building and construction industry.

#### **Actions delivered**

#### The Queensland Building and Construction Commission (QBCC) has:

- Established a framework for notification of safety matters on building sites
- *Implemented a trust account compliance framework* and audit program to support new oversight functions for trust accounts
- ✓ Built an Early Warning System to detect construction companies under financial distress earlier
- ✓ Applied new legislated functions and investigative powers and during 2020-21:
  - facilitated 187 adjudication decisions worth \$37.5 million
  - imposed licence conditions on 664 licensees in categories 1-3 for failure to lodge financial information on time, resulting in 146 licences being suspended and 83 being cancelled
  - excluded 137 individuals for their involvement in a contractor's financial failure

- investigated 282 non-payment of debts matters resulting in 34 licence cancellations and 66 licences being suspended and the recovery of \$3.87 million in outstanding debts
- finalised 4,797 incomplete and defective work complaints and paid \$31.3 million in claims under the Queensland Home Warranty Scheme
- commenced audits on 238 licensees for compliance with the minimum financial requirements
- finalised 240 enquiries and complaints regarding new non-conforming building product laws
- issued 56 penalty infringement notices for contraventions of payment laws under the Building Industry Fairness (Security of Payment) Act 2017
- Developed a five-year plan to transition the QBCC into an appropriately risk based, proactive, forwardlooking regulator, with a corresponding staff capability Insights Driven Regulator
- Established a Customer Service Improvement Unit to enhance effective resolution of building complaints



#### Actions in progress

#### The QBCC is currently:

- Piloting a voluntary continuing professional development scheme, which will be used to inform consideration of a compulsory continuing professional development scheme
- Implementing a customer focused Learning Management System to support improved education programs for industry
- ✓ Information sharing with other Australian building regulators through the Building Regulators' Forum
- Transforming into an Insights Driven Regulator.



#### **Actions to do**

#### **Review QBCC governance arrangements:**

- build on work to strengthen decision-making and complaints handling processes
- consider improvements to governance arrangements.

# **Our reforms**



#### 1. SECURITY OF PAYMENT



#### **Objectives**

If you do the work, you should be paid in full, on time, every time.

# Actions delivered

- 1.1 Create a single Act that consolidates existing security of payment laws.
- Delivered the Building Industry Fairness (Security of Payment) Act 2017 which introduced trust accounts and consolidated existing security of payment legislation in November 2017

#### 1.2 Create new laws that:

- · establish trust accounts
- improve the claims and adjudication processes
- strengthen the Minimum Financial Requirements (MFR)
- enable the QBCC to better regulate MFR.
- Commenced trust accounts on 1 March 2018
- Delivered Building Industry Fairness laws in December 2018 relating to progress payments, adjudication and retentions
- Commenced phase 1 of the MFR reforms, including stronger reporting requirements, in January 2019
- Commenced phase 2 of the MFR reforms in April 2019
- Delivered the Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020 (BIFOLA Act) in July 2020 which:
  - Streamlined trust accounts and enabled the roll out of trust accounts to the private sector by 2023
  - Legislated immediate protections for subcontractors e.g. supporting statement requirements and payment withholding requests

- Established the Special Joint Taskforce in March 2019 that investigated allegations of fraudulent behaviour relating to subcontractor non-payment
- 1.3 Work with the finance sector to prepare for implementation of trust accounts.
- Worked with financial institutions to promote awareness of trust accounts and ensure product compliance and availability

#### 1.4 QBCC will assist with implementation by:

- increasing enforcement action against unlicensed contractors
- utilising excluded individual and company provisions
- sharing intelligence with the Australian Securities and Investments Commission (ASIC) and the Australian Taxation Office (ATO) to reduce improper activities
- improving education programmes for licensees.
- √ The QBCC has:
  - excluded 137 individuals and 20 companies from holding a licence in 2020-21
  - collaborated with ASIC, the ATO and other regulators to address illegal phoenix activity as part of the national Phoenix Taskforce
  - delivered a statewide roadshow and provided extensive education regarding trust account reforms

#### Actions in progress

- 1.5 Develop mandatory retention trust training to support the streamlined trust account framework.
- 1.6 Support implementation of trust accounts to the private sector on 1 January 2022 for eligible contracts valued \$10m or more. Full implementation to occur on 1 January 2023 for all eligible contracts valued \$1m or more.
- 1.7 Consider beneficial and unfair contract terms to be prescribed in regulation through a subcommittee of the Ministerial Construction Council.
- √ Established subcommittee of MCC on 27 July 2021



#### **Actions to do**

1.8 Conduct a review of the role of developers in the Queensland building and construction industry.



#### 2. NON-CONFORMING BUILDING PRODUCTS



## **Objectives**

Queensland leads the nation in ensuring building products are safe and fit for their intended use.

# Actions delivered

- 2.1 Implement Australia's first chain of responsibility laws.
- ✓ Delivered the Non-Conforming Building Products— Chain of Responsibility and Other Matters Amendment Act 2017 in November 2017 to ensure that building products are safe and fit-for-purpose and increase QBCC compliance and enforcement powers
- 2.2 Continue Queensland's Non-conforming Building Products (NCBP) Taskforce to investigate the installation of possible NCBPs in existing buildings.
- ✓ Established the NCBP Audit Taskforce in June 2017
- ✓ Established the Safer Buildings Taskforce in November 2019 to continue the important work of the NCBP Taskforce
- 2.3 Publish a NCBP code of practice to assist industry.
- √ Released in 2018 to provide additional guidance to the building and construction industry on how to ensure compliance with new laws
- 2.4 Implement Ministerial powers to make warning statements and recall products.
- √ Minister has utilised powers to recall products, for example dangerous pool safety fencing

- 2.5 Create laws to establish the Building Products Advisory Committee (BPAC).
- ✓ Delivered the Non-Conforming Building Products-Chain of Responsibility and Other Matters Amendment Act in 2017 which established the BPAC
- √ The Safer Buildings Taskforce provides timely and expert advice about building products to the Minister, the Queensland Building and Construction Board and Commissioner of the QBCC to assist them to effectively perform their functions
- 2.6 Continue to lead the nation regarding NCBPs.
- √ Delivered new laws in October 2018 to compel private building owners to complete the Safer Buildings Checklist and determine the extent of potentially combustible cladding
- ✓ Introduced Queensland Development Code Part 2.5 – Use of external cladding banning the use of certain combustible cladding products
- 2.7 QBCC will assist with implementation with increased powers to investigate the use of NCBPs and take action against non-compliance.
- √ QBCC is actively using these powers to investigate and enforce NCBP legislation in conjunction with other State and interstate agencies

## Actions in progress

- 2.8 Continue to respond to combustible cladding issues by:
- rectifying government-owned buildings
- progressing the work of the Safer Buildings Taskforce
- overseeing the combustible cladding checklist.
- ✓ As at 30 June 2021, 79% of government-owned buildings have been rectified, cleared or in the process of rectification
- √ As at 26 July 2021, over 17,700 private buildings have been cleared with no cladding fire risk; 1,291 still to complete the process; and 846 will require some form of rectification and may require interim mitigation measures
- 2.9 Stand up a NCBP Committee.
- √ Working with the QBCC to stand up a NCBP Committee



#### Actions to do

- 2.10 Ensure rectification of private buildings.
- 2.11 Work with industry to examine a potential certification scheme for steel manufacturers.



#### 3. PLUMBING AND DRAINAGE REFORMS



#### **Objectives**

The plumbing and drainage industry maintains health and safety and is well regarded.



#### Actions delivered

- 3.1 Establish laws to prohibit the sale and installation of non-WaterMark and unsafe plumbing products.
- ✓ Delivered in November 2019 through Non-Conforming Building Products – Chain of Responsibility and Other Matters Amendment Act 2017

#### 3.2 Create laws that:

- deliver time efficiencies for building and plumbing work by reducing approval timeframes
- strengthen compliance and enforcement measures
- enforce a new, modern plumbing code that sets out Queensland's technical requirements in a single document
- ✓ Delivered a new legislative framework for plumbing and drainage in July 2019, which maintained standards while saving consumers time and money
- remove unnecessary restrictions on the installation of solar hot water panels
- ✓ Delivered in October 2017 through changes to the Queensland Plumbing and Wastewater Code
- facilitating off-site construction of bathroom pods.
- ✓ Supported the Australian Building Codes Board to issue a Notice of Direction for bathroom pods while ensuring through the new plumbing and drainage framework that certain WaterMark products can be declared as prohibited products

#### 3.4 QBCC will assist with implementation by:

- ensuring compliance with laws that prohibit the sale and installation of non-WaterMark and unsafe plumbing products
- Delivered from November 2019 through powers provided to the QBCC in relation to non-conforming building products
- raising health and safety standards by discouraging unlicensed work through increased penalties for unlicensed work
- ✓ Delivered in July 2019 through the new plumbing and drainage framework that included potential for jail terms for repeated unlicensed work
- establishing the Service Trades Council.
- ✓ Delivered in July 2019 through the new plumbing and drainage framework that established the Service Trades Council



#### Actions in progress

- 3.3 Work with industry and home owners on health and safety related reforms that enhance productivity and reduce costs, including onsite sewage and grey water treatment plants and temperature control devices.
- √ Released a quideline in January 2020 to clarify when temperature control devices must be fitted to a heated water system
- ✓ Service Trades Council is undertaking an investigation into onsite sewage and grey water treatment plants



#### 4. BUILDING CERTIFICATION



## **Objectives**

Improve consumer confidence in the building and construction industry by enhancing the strength of the certification and inspection process.

#### (V) Actions delivered

- 4.1 Continue to advance a range of reforms, potentially 4.2 Review the Building Regulation 2006 to ensure it including:
- more support to building certifiers and encouraging entrants to the industry
- implementing appropriate reforms as a result of the Building Confidence Report.
- ✓ Delivered the first phase of certification reforms in October 2020, which improve professional standards and strengthen the certification and *inspection framework*
- remains relevant, effective and efficient.
- ✓ Delivered a new Building Regulation in September 2021

#### Actions in progress

#### 4.1 Further strengthen consumer confidence in the certification and inspection process by:

- enhancing reforms that address the issues identified through the Building Confidence Report
- partnering with industry to improve professional standards and compliance
- encouraging new entrants into the profession
- prioritising strong effective regulation of the industry
- embracing innovation and the use of new technology within the sector
- work with industry in addressing the challenges caused by the COVID-19 pandemic, for example trade and building product shortages.
- ✓ Reviewing Queensland's Code of Conduct for building certifiers against the National Model Code of Conduct for Building Surveyors
- √ Working with industry regarding the use of continuing professional development schemes or professional standard schemes
- ✓ Delivering awareness and information sessions to effectively implement the Building Regulation 2021
- ✓ Leading the Residential Construction Industry Capacity (RCIC) working group and Accelerated Builder Consumer Dispute (ABCD) Framework to assist with trade and material shortages
- 4.3 Review the fire protection regulatory framework to address the non-rectification of defective fire protection systems through a subcommittee of the Ministerial Construction Council.
- MCC subcommittee Terms of Reference endorsed



#### 5. LICENSING REFORMS



#### **Objectives**

Create a stronger building and construction industry by enhancing the skills of licensees through support and greater professional development.

# **Actions delivered**

- 5.1 Create new laws to protect consumers and workers by providing tougher penalties for individuals who perform unlicensed contractor building work.
- ✓ Implemented new laws in November 2017 through BIF Act
- 5.2 Strengthen QBCC investigator powers to provide fairness, consistency and certainty for all trades and licensees.
- ✓ Delivered NCBP Amendment Act in November 2017 that strengthened QBCC investigator powers and available penalties for non-compliance
- ✓ Delivered the Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020 to provide QBCC with greater oversight powers for trust accounts
- 5.3 Strengthen the regulatory framework for mechanical services, which includes medical gas, air conditioning and refrigeration, and plumbing.
- ✓ Delivered new mechanical services licence in January 2020 to protect public health and safety by ensuring people working on high risk and complex heating and air conditioning or medical gas systems are licensed

- 5.4 Establish a Building and Tradie Assistance Register and Building Certifier Register.
- ✓ Established the Building and Tradie Assistance Register and Building Certifier Register in 2017 to support communities in rebuilding and recovery following natural disasters
- 5.6 Provide a modern simple method to submit QBCC Notifiable Work forms (Form 4/4A) through the online customer portal, myQBCC.
- ✓ Delivered changes in 2017 to allow for electronic lodgment of Form 4/4A through the myQBCC portal
- 5.7 Make it easier for local licensees to work on Queensland Government projects by eliminating the need for pre-qualification on projects under \$1 million.
- ✓ Delivered in 2017 through changes to the pre-qualification system

## Actions in progress

- 5.5 Investigate other reforms with industry, including regulation of off-site construction of prefabricated homes and rationalising the fire protection licensing framework.
- ✓ Delivered a streamlined and modernised fire protection licensing framework in May 2021
- 5.8 Investigate the licensing requirements for project management through a subcommittee of the Ministerial Construction Council.
- √ MCC subcommittee Terms of Reference endorsed
- 5.10 Consider a compulsory continuing professional development framework and work with industry to develop an implementation plan.



#### **Actions to do**

- 5.3 Strengthen the regulatory framework for house energy assessors.
- 5.9 Investigate the need for a licensing framework for boilermakers through a subcommittee of the Ministerial Construction Council.
- 5.11 Investigate the need for a licensing framework for roofing and stormwater work through a subcommittee of the Ministerial Construction Council.



#### 6. SUSTAINABLE BUILDINGS



#### **Objectives**

Help Queensland deliver a zero-net emissions target by 2050.

# **Actions delivered**

- 6.1 Saving Queenslanders money by removing unnecessary restrictions on the installation of solar hot water panels.
- √ Removed unnecessary orientation restrictions associated with the national standard for the installation of solar hot water collectors for solar hot water systems in October 2017
- 6.3 Trial the application of Green Star rating tools and evaluate their costs and benefits.
- ✓ Completed a trial of the Green Star Performance tool on three regional government-owned buildings and one major leased building. The trial identified energy saving technologies and operational practices to be implemented to improve energy efficiency and reduce emissions in support of government's climate change commitment of 30% reduction by 2030

#### Actions in progress

- 6.2 Implement measures to improve the sustainability of Queensland Government buildings, reducing emissions and improving energy efficiency, in line with Queensland's climate change commitments.
- ✓ Installation and upgrades of solar panels arrays, air conditioning, lighting and building services controls for DEPW owned office buildings and implementing green lease practices to improve the energy efficiency of leased office buildings
- ✓ Developing an Environmental Strategy and subsequent Environmental Action Plan for DEPW property portfolios
- √ Establishing a 2005 level Operational Emissions Baseline (OEB) for the DEPW property portfolios in accordance with the Queensland Climate Transition Strategy
- ✓ Delivered the \$71 million Cooler Cleaner Schools program to expand solar panel installations on state school rooftops
- ✓ Installed 200kW solar farm on government buildings in remote Lockhart River community, replacing diesel generators
- 6.4 Develop building-related strategies to support the 30% emission reduction target by 2030 and pathways work in the Queensland Climate Transition Strategy (QCTS).
- ✓ Supporting Australian Building Codes Board investigation into improvements to the energy efficiency of new buildings including through the September 2021 Consultation Regulation Impact Statement on energy efficient housing
- ✓ Delivered 670 solar systems in 2019-20 in the solar for rentals trial
- 6.6 Drive the national agenda to improve the sustainability performance by updating the National Construction Code.
- ✓ Supported increase in energy efficiency to new commercial buildings through National Construction Code update in May 2019



#### Actions to do

- 6.5 Develop Queensland Development Codes for green roofs and walls and for the maintenance of energy efficiency features in commercial buildings.
- 6.7 Work with Queensland building and design industries to further improve energy efficiency.



#### 7. LIVEABLE HOUSING DESIGN



#### **Objectives**

Make homes safer and easier for all to use.

# **Actions delivered**

- 7.1 Investigate an accessibility disclosure scheme for properties for rent, sale and new construction in partnership with industry and consumers.
- √ Will increase supply of accessible housing dwellings by including a mandatory minimum accessibility standard
- 7.2 Update benchmarks for liveable design standards in Priority Development Areas.
- √ Delivered by Economic Development Queensland in 2018
- 7.3 Implement the outcomes from the national regulatory impact assessment and advocate for a national approach to the development of minimum accessibility standards for private dwellings.
- √ Successfully advocated nationally for the inclusion of mandatory minimum accessibility standards for homes
- 7.4 Work with industry and disability advocacy organisations to inform the draft Queensland Development Code.
- √ No longer required following the successful inclusion of mandatory minimum accessibility standards

#### > Actions in progress

- 7.3 Work with industry and advocates to support inclusion of mandatory accessible housing requirements in the National Construction Code 2022:
- Identify necessary exemptions including to protect traditional Queenslander houses.
- Consider appropriate transition timeframe for industry to roll out changes.
- Prepare comprehensive communication strategy to support industry and community engagement.



#### 8. INCLUSIVE COMMUNITIES



#### **Objectives**

Make communities more inclusive by providing better facilities for people living with disability.



#### **Actions delivered**

- 8.1 Provide dignity to carers of, and people with disability by requiring accessible sanitary facilities in all new major public facilities.
- 8.2 Drive the development of a national regulatory impact assessment and potentially expand the **National Construction Code.**
- √ Successfully advocated for the mandatory inclusion of Accessible Adult Change Facilities in new large Class 6 and 9b buildings in the 2019 National Construction Code which delivers 8.1 and 8.2
- 8.3 Develop and consult with industry and consumers on a Queensland Development Code.
- 8.4 Encourage the voluntary uptake of measures to make public facilities more accessible for people with disabilities in places where the future Queensland Development Code does not apply.
- √ Delivered the non-mandatory Queensland Development Code for Accessible Adult Change Facilities in October 2020 which delivers 8.3 and 8.4



# 9. QUEENSLAND HOUSING CODE AND RECONFIGURATION OF A LOT CODE



## **Objectives**

Provide modern and consistent housing siting, design and subdivision rules.



#### ( Actions delivered

- 9.2 Finalise a Reconfiguring a Lot (RaL) Code in consultation with local governments and industry.
- √ The Model Code for Neighbourhood Design—A Code for RaL was published in July 2019 and updated in August 2020



#### **Actions to do**

9.1 Finalise a Queensland Housing Code in consultation with local governments and industry.



#### 10. QUEENSLAND HOME WARRANTY SCHEME



#### **Objectives**

Home Warranty Scheme will deliver certainty, equity, fairness and transparency.



#### 10.1 Amend the notional pricing premium method for apartments and units.

✓ Delivered a revised premium approach in 2016

#### 10.4 Expand coverage and provide more flexible Scheme options.

√ Delivered an expanded Scheme in October 2016 to cover more types of work and introduce optional additional cover

#### 10.5 Strengthen the Scheme by enshrining terms and conditions (previously in policy) in regulation.

√ Transferred the previous Queensland Building and Construction Board policy into the Queensland Building and Construction Commission Regulation in October 2016



#### Actions in progress

#### 10.2 Develop reform options to strengthen the Scheme by working with consumers and industry to examine measures including:

- coverage for prefabricated homes that are manufactured off-site
- higher premiums for licensed contractors with a poor industry track record
- coverage of residential buildings exceeding three storeys
- improved coverage for multiple dwellings.

#### 10.3 The QBCC to provide a Product Disclosure Statement to every consumer.

- Established a subcommittee of the MCC on 27 July 2021 to further review the effectiveness of the Scheme and make recommendations for potential improvements which relates to 10.2 and 10.3
- ✓ Released an online survey in August 2021 to seek feedback on the Scheme which relates to 10.2 and 10.3
- √ The QBCC has made a Product Disclosure Statement available to every scheme participant since 2016





Department of Energy and Public Works
13 QGOV (13 74 68)

www.qld.gov.au

