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Timber Queensland Submission to the Transport, Housing and Local Government Committee on the:

Inquiry into the Operation and Performance of the Queensland Building Services Authority (QBSA).

**Timber Queensland Limited
P O Box 2014
Fortitude Valley Qld 4006
14th September 2012**

Introduction

Timber Queensland Limited (TQ) is the state industry body representing the interests of the full timber value chain; from forest growers, through timber processors, timber recyclers, merchants, and importers, to fabricators, builders and associated building professionals. One of the core functions of TQ is the development and dissemination of contemporary technical information that supports the correct use and application of timber in the building industry. In addition to our relationship with the QBSA, we also enjoy positive collaboration with other key industry groups including the Queensland Building Designers Association, the Australian Institute of Building Surveyors, the Housing Industry Association, the Queensland Master Builders Association and the Australian Timber Flooring Association. Timber Queensland welcomes the opportunity to comment on the inquiry into the operation and performance of the QBSA.

Note: The following comments and suggestions are limited to specific aspects of QBSA operations and do not cover governance, legal and/or contractual matters.

TQ/BSA Relationship

Since the establishment of the QBSA, TQ (and its predecessor TRADAC), have enjoyed a strong, positive and constructive relationship that has benefited both the consumer and contractors/licensees. This joint relationship over the years has embraced education and training of contractors and consumer's, addressed the outcomes and issues arising from natural disasters, tackled safety issues such as deck failures and market failure issues including termite attack to new dwellings. In cases of dispute, we also regularly provide to BSA, expert, independent inspection and reporting services on a consultancy basis. Being impartial, the outcomes from these services may or may not support the BSA position or the consumer or the licensee.

Considerations for the Committee

We offer the following comments and suggestions in respect to the issues identified for the Committees consideration.



- **Whether the performance of the QBSA achieves a balance between the interests of building contractors and consumers**

It is TQ's experience in matters we have been party to with the QBSA that relate to technical assessment and opinions in respect to the use and application of timber, that the BSA have provided a fair and reasonable balance between the interests of the consumer and contractor. This has been demonstrated where directions have been re-visited based upon our independent expert advice. We have also noted, that on occasion, they have encouraged a 'natural justice' outcome where matters have not been within the legal bounds of their legislative framework.

- **Whether the QBSA could make further changes in order to reduce regulations to lower the cost of building a home**

TQ's experience is that the most significant cost burdens imposed on the building industry due to regulations are those that result from planning constraints, local authority head works charges, unnecessary or overly conservative building regulations, compliance with environmental legislation and also WH&S legislation. Other than total repeal of the QBSA Act, licensing and the warranty schemes, which we believe would not be acceptable to the public, we do not see where any significant savings could be achieved by a reduction in the regulations.

- **The effectiveness of the QBSA to provide remedies for defective building work and to provide support, education and advice for both those who undertake building work and consumers;**

- a) **Early intervention:**

TQ strongly support the KPMG findings regarding early intervention and mediation to try and resolve disputes before they escalate and become overly emotive and irrational, by either party. On numerous occasions we have undertaken inspections on completed houses where homeowners have applied hundreds of 'post it's' to highlight perceived imperfections where their initial concerns may have only related to a few more significant and justifiable issues which if addressed early could have quickly resolved issues. It is encouraging to see QBSA have pro-actively responded to this KPMG recommendation.

- b) **Building product compliance:**

A high percentage of defective building works are related to inappropriate or non-compliant building products being supplied to and used by contractors. Contractors and builders typically purchase building products 'in good faith' in the belief that they are both compliant with minimum standards and are 'fit for purpose'. Unfortunately, many building product suppliers have scant knowledge of what their obligations are and do not deliver compliant or fit for service product. Builders and contractors generally do not have the detailed technical expertise to be able to assess delivered product for compliance. In respect to timber products this invariably relates to non-compliance with Building Code of Australia (BCA) or Australian Standards (AS) requirements regarding durability, preservative treatment or moisture content.



TQ believe that the legislation and powers of the QBSA should be expanded to enable QBSA to undertake building material and product compliance auditing and enforcement direct on suppliers and manufacturers (where required, by-passing the builder). The auditing for compliance should be to BCA and relevant AS requirements where they exist, or on a 'fit for purpose' basis, if no standards exist.

c) Education and training:

Again, TQ strongly support the KPMG finding that the role and functions that QBSA undertake in contractor and consumer education is vital and should be reinforced to reduce the incidence of defective building work. The proactive contractor and consumer education and training programs undertaken by QBSA address the high priorities identified by their own top 10 defects issues together with other priorities that industry groups such as TQ bring to their attention. These activities including the Trade Specific shows, Super Shows and the newly developed 'You Tube' site are highly valued by building industry material suppliers and associations.

It is understood that many of the initiatives that QBSA undertake in this regard are funded by external support from organisations such as Construction Skills Queensland (CSQ) who have significant resources for up-skilling and training in the building and construction industry. We would encourage the Queensland Government to foster continued on-going support from CSQ resources (committed 3 year funding programs would be desirable) to enable these programs to be efficiently delivered.

d) Continuing Professional Development (CPD)

It has been identified that participation by the building industry in ongoing education and training initiatives undertaken by the QBSA and by building industry groups invariably attracts participation by the same practitioners and licensees over and over again and that a very high percentage of the industry who would most benefit from this education do not avail themselves of these initiatives.

TQ strongly supports the need for CPD across the whole building sector and believe greater industry participation would greatly assist in reducing disputes and delivering better outcomes for both contractors and consumers.

We would encourage the Government to initiate means to achieve greater uptake of CPD either by making it compulsory as a license condition or alternatively, by offering inducements or offsets to licensees where they voluntarily undertake CPD. This could include for example discounts on license fees and or credits towards offsetting penalties etc.

Both formal and informal CPD should be accepted and approved by QBSA under appropriate guidelines and delivery of CPD should be open to all industry groups, and associations etc. that can demonstrate their bona fides. We would also encourage QBSA to continue to deliver CPD in their own right as they will be able to address specific needs that others may not have an interest in or knowledge to deliver.

We would also like to acknowledge the significant and valued support the QBSA have given to TQ in the past in assisting us to communicate with the building industry and look forward to this support continuing in the future.

- **the governance arrangements of and between the board and the general manager;**

No comment

- **The effectiveness of the Queensland Home Warranty Scheme and its protections;**

No comment

- **whether the current licensing requirements of the QBSA are adequate and that there is sufficient auditing processes to maintain proper standards;**

TQ would not like to see any diminution of current licensing requirements which are considered to provide good coverage of all trade and sub-trade classes and professions. Auditing of standards and processes could probably be increased and improved, but it is recognised that significant resources would be needed to achieve this.

We also have **considerable concerns** regarding the proposals to introduce/adopt a ***National Occupational Licensing Scheme*** for Queensland as agreed by the previous Government at COAG.

Industry and Government in Queensland have invested millions of dollars in education and training over the past few decades to raise the standards of construction to address Queensland's specific climatic challenges, and to deliver strong, durable housing that meets or exceeds the actions generated by our climate, cyclones and storms. There is already some evidence that where southern contractors have come into our markets to undertake work post disasters that repairs and reconstruction have been found wanting in subsequent events.

- **The number of trades licensed by the QBSA and whether industry groups could take a greater role within QBSA in terms of licensing standards and procedures for their members;**

There is potential for industry groups to have a greater role within QBSA in standards and procedures appropriate to licensing of their members however not all licensees are members of a representative organisation and compulsory membership would be a very contentious issue. 'Conflict of interest' issues may also arise where representative industry groups had charge of auditing their own members versus their non-members.

- **Examining opportunities for reform of the Authority with a view to enhanced assistance for both industry and consumers.**

Builders, sub-contractors and consumers could be assisted and would benefit where there was greater, freely available access to expertise and advice in the early stages of building design and construction. Whilst members of industry associations have access to this expertise in the respective fields, it is generally not available to non-members and the public. With appropriate resourcing, there may be opportunities for the QBSA to provide rapid response support services in this respect.



Timber Queensland would be happy to provide the Committee with further input as required. For more information, contact: **Colin MacKenzie, Manager – Timber Application and Use, Timber Queensland Ltd**, Ph: 07 3358 7903; 0419 743 081
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