

# Inquiry into the Operation and Performance of the Queensland Building Services Authority

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The Research Director  
Transport, Housing and Local Government Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

*Private Submission Regarding the Legislative Assembly agreement on 2 August 2012 to a motion that the Transport, Housing and Local Government Committee inquire and report on the operation and performance of the Queensland Building Services Authority (QBSA) in its regulation of the industry, including the maintenance of proper standards in the industry.*

## General Background Information:

I has been involved in the Building Industry since 1964, completed a five (5) year apprenticeship in Carpentry & Joinery. I have trade experience as a Builder and Supervisor on residential and commercial projects. I have also been involved in teaching Building Construction in Built Environment in Brisbane TAFE since 1973 for a period of two (2) years and thirty-three (33) years teaching at the Central Queensland Institute of TAFE (Mackay). I was also a nationally registered Building Industry Assessor.

I became involved in Building Design in 1971 and obtained my Building Design license in about 1993. I have had extensive experience in residential commercial and Industrial projects.

I am a Licensed Builder and Building Designer with an Open License.

I have been a member of BDAQ since its beginning in 1990.

## Responses to the inquire:

### *1) Whether the performance of the QBSA achieves a balance between the interests of building contractors and consumers.*

It is my belief that the QBSA is not currently balance between the interests of building contractors and consumers. My experience has shown that BSA is biased towards the consumers.

Currently BSA deal with principal contractors and consumers at a time of heightened emotions and in such a state there is always a potential for miscommunication. Whenever BSA is required to intervene in an issue, the result is a significant cost to one party or the other and a ruling against one side will always give an impression of the authority "taking sides".

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I believe the answer lies in being able to intervene in an issue before it gets to the stage where conflicted emotions mean that there is never going to be a satisfactory outcome for all parties.

The problems that arise, in what must be acknowledged is a tiny percentage of the total building work in Queensland, could be further reduced;

- if BSA was enabled to intervene earlier during a contract,
- if consumers engaged an independent third party to manage the building contract,
- if BSA carries out monitoring and audits of Building Certifiers.
  - a) Stop Building Certifiers' Offices maned/run by certifier cadets.
  - b) Carrying out mandatory inspections.
  - c) Must not be just "Ticket Collectors". (I.e. collecting Form 15, 16 & 21, etc.)
  - d) Review the use of Competent Persons.
- if BSA carries out audits and monitoring of licensed builders, building designers and trade contractors' work,
- if BSA was involved in controlling or providing guidance regarding the minimum quality of construction documentation,
- if communication improved.

## *2) Whether the QBSA could make further changes in order to reduce regulations to lower the cost of building a home.*

I can't see any way that QBSA could make changes to reduce regulations to lower the cost of building a home.

The BSA insurance scheme is the best in Australia. It has the best protection for consumers.

License fees forms a small part of the cost of doing business in the building industry. The cost of compliance with financial requirements may be perceived to be greater but in reality the requirements simply form the minimum financial review that should be undertaken by any business. The cost to businesses and consumers of a business trading while insolvent is far greater than the impact of the cost of compliance.

For building designers, the requirement is for Professional Indemnity Insurance which is important as a consumer safety net.

Poor documentation is contributing to the increased costs of residential subdivisions and the construction of houses.

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BSA could support industry to raise the quality of documentation and hence reduce housing costs by;

- supporting industry up-skilling measures by mandating continuing professional development for building designers,
- enabling early intervention to allow better monitoring of the quality of documentation.
- introduce mandatory CPD. This would help in maintaining a more up-to-date building industry.

### *3) 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.*

Currently BSA gives the contractor a direction to rectify. BSA does not provide suggestion or instructions on how the rectification may be carried out.

It may be considered a step in the right direction if BSA were to give instructions on how to carry out the rectification work.

BSA should insist that all rectification meets at least the minimum Australian & industry stand. If a schedule of work was provided it should go a long way to reduce the amount of rework.

Change to allow for BSA involvement during the contract period. This would help reduce construction cost as the dispute could be resolved before the work was completed.

Carry out audits of BSA licenced contractors, trade contractors and sub-contractors.

The BSA must work with the building industry to weed out dodgy building certifiers.

Building certifiers who repeatedly sign off on dodgy and sub-standard work, including fire safety breaches should “show cause” why their license should not be canceled.

The BSA Road Shows are effective education tools for contractors and are always topical being based on real experience in managing building defects and disputes.

As a building designer I only form a small part of the licensing regime and have very specific training needs and often don't get full value out of the BSA shows.

The BSA web site provides plenty of information for anyone involved in the building process.

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I believe that continuing professional development for all professionals who design buildings is critical to reducing the impact of poor design and documentation in the industry.

## *4) The governance arrangements of and between the board and the general manager.*

The BSA should be independent from government as possible.

## *5) The effectiveness of the Queensland Home Warranty Scheme and its protections.*

The BSA Queensland Home Warranty Scheme is currently the best scheme in Australia. However the scheme could be improved but would increase the cost of housing if implemented.

- better informed consumers and clear definitions of warranty triggers,
- better management by consumers of the contract stage including progress payments.
- putting mechanism in place to improve the quality of documentation and communication between all parties.

## *6) Whether the current licensing requirements of the QBSA are adequate and that there are sufficient auditing processes to maintain proper standards.*

The current list of licences appears to be adequate for the industry and consumer protection.

Licensed trade contractors should be held more responsible for their quality of work. BSA licences trade contractors but only goes after the principal contractor.

Licensed trade contractors should have to rectify defective work at their cost. The principal contractor should not be the only party to be held responsible under the contract.

Licensed trade contractors contract to the principal contractor and therefore should become party to the original contract.

Principal contractors should be able to rely on the competency of the licensed trade contractors licensed by the QBSA.

Apprentices, Cadets, Trainees, Etc. to work in a discipline for a minimum of 6 years before being eligible for a BSA Contractors Licence.

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Review the current RPL system for licencing Builders. If the RPL system is to remain as a way of obtaining a BSA Licence, BSA should ensure that the level of testing and the knowledge content is actually sufficient to demonstrate competency in that Licensed discipline.

RPL should only be retained for assessing Trade Contractors as originally intended.

A minimum practical working time in the industry and age of applicant to be adopted if the RPL process is to apply. (*i.e. 6 years and minimum age say 25*)

BSA should audit and monitor RTO in general but should audit and monitor RTO providing RPL systems.

RPL should not be allowed to be conducted as a Training Course. It should only be used to identify competencies and the areas requiring training.

If the RPL system was revised I believe a large portion of BSA and industries problems would be diminished.

*7) 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; and*

Building is probably the largest investments most individuals or businesses will make in their lifetime. Developing and maintaining a safe and healthy, quality built environment requires that every part of the process from the design through construction and maintenance be carried out by people with a prescribed minimum level of competency. Modern building site requires the various trades to take responsibility for their own work, it is important that those trades are regulated to ensure a required level of competency. Licensing provides some certainty for Principal contractors and consumers.

The current list of licences appears to be adequate for the industry and consumer protection. It is not recommended that the number be reduces.

Industry groups/associations could and should take a greater role within BSA in terms of licensing standards and procedures.

There could be some flow on benefits for a Licensed Contractor if they were active members of an association.

Associations are often placed in a position where consumers contact them for advice and action when there is a dispute principal contractor, consultant and consumer during the contract phase (before Practical Complete). This occurs because BSA legislation prevents intervention until after the building contract is complete.

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The consumer are usually informed that the association can only try and influence their members and can only offer advice and mediation to assist the parties to work through the issues.

The process would be improved if;

- legislation was changed to provide for early intervention in the case of disputes, and/or
- provide industry groups with a means to influence outcomes through management of a Code of Practice or similar.

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

QBSA should play a greater role in:

- mediation between Contractor and Client.
- inspecting of all contractors work.
- introduce Continuous Professional Development (CPD)
- improving the quality of contract documentation and communication.
- introducing Codes of Practice and Codes of Conduct.
- carry out more audits and monitoring on Building Certifiers and their work practices.
- ensure Building Certifiers properly carry out their certification services.
- carry out audits and monitoring on Licensed Holders and their work practices.
- carry out audits and monitoring on Licensed Holders that have produced defective work where rectification has been necessary.
- work actively to remove Un-licensed persons from the industry.
- increase penalties for Un-licensed persons performing illegal building work.
- give the BSA the tools to carry out the work.
- introduce "Early Intervention".
- increase the minimum experience requirements for Building Designers

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## Conclusion:

I thank the committee for the opportunity to contribute to this inquiry and hope this may lead to a better building industry in Queensland.

I believe Queensland Building Services Authority currently operates effectively within the parameters established by legislation. I believe that the Queensland licensing system is appropriate and should be strengthened rather than reduced. Queensland is in a far better position than any other State or Territory in Australia.

Some solutions may come at an additional up-front cost to the consumer but each has the potential to save significantly more than the up-front cost.

This is one area that "Red Tape" should not be cut.

Yours faithfully



Glen Place  
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