



## **Australian Institute of Building Submission to the *Inquiry into the Operation and Performance of the Queensland Building Services Authority***

### **Introduction**

The Australian Institute of Building (AIB) welcomes the opportunity to respond to the *Inquiry into the Operation and Performance of the Queensland Building Services Authority*. The AIB is keen to see more efficient and thorough building legislation, and welcomes this inquiry.

### **Vision**

The vision of the AIB in regards to this review is to ensure that:

- The building sector in Queensland is improved through higher educational standards;
- The building industry is a viable and growing sector for the benefit of the state, consumers and builders; and
- Builders, sub-contractors and consumers are informed, educated and provided with adequate legislative protection and support, to reduce building and payment disputes.

### **Nature of the Inquiry**

On the following website it states:

<http://www.parliament.qld.gov.au/work-of-committees/committees/THLGC/inquiries/current-inquiries/INQ-BSA>

*On 2 August 2012 the Legislative Assembly agreed 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.*

*That, in undertaking this inquiry, the committee should consider:*

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

- *Whether the QBSA could make further changes in order to reduce regulations to lower the cost of building a home;*
- *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;*
- *The governance arrangements of and between the board and the general manager;*
- *The effectiveness of the Queensland Home Warranty Scheme and its protections;*
- *Whether the current licensing requirements of the QBSA are adequate and that there is sufficient auditing processes to maintain proper standards;*
- *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*
- *Examining opportunities for reform of the Authority with a view to enhanced assistance for both industry and consumers.*

*Further, that the committee consults with key industry groups including home builders and building contractors, industry participants and relevant experts.*

## **AIB Recommendations**

AIB makes the following recommendations or points in regard to this inquiry:

- There should be a continued focus on education, and raising standards in the industry. The Queensland Building Services Authority (BSA) Board should attempt to move the industry to a higher level of professionalism, and unfortunately reforms in this regard have stalled in recent years;
- Given the high educational and experience benchmarks for corporate membership of the Australian Institute of Building, this should be one pathway to obtaining an open building licence in Queensland. The same is true of those Queenslanders on the National Building Professionals Register (NBPR), which is administered by the AIB;
- AIB supports the 'one-stop shop' model of the BSA, but there should be vigilance to ensure the integrated model does not impact on the BSA's independence and objectivity;
- A mechanism is needed to ensure that contractors should be held accountable for their building work, and the BSA should pursue the investigation and development of a model for sub-contractor accountability. Currently builders are having to rectify defective works by trade contractors;
- There is an issue of many consumers and developers refusing to pay for building works contracted, and the situation must be addressed whereby BSA will fix defective work, but not

contractual problems. Many consumers will not make the final payment, but the BSA will order builders to finish the job regardless;

- The construction industry in Queensland is overwhelmingly compliant, with very high percentage of builders completing to a high standard what they have been contracted to do;
- The BSA should ensure that the process of national licensing of building occupations does not adversely affect the Queensland building industry, and lower standards in Queensland. AIB questions whether moving from 60 licence classes as currently exist in Queensland to 20 classes under the national model will adequately protect consumers;
- The BSA should continue to review the licensing structure to ensure that there a suite of licenses which meet genuine industry demand and needs, and protects the 'value' associated with holding a license;
- There should be a greater focus on proactive inspections by BSA to improve the overall standard of building works;
- There needs to be additional support for building inspectors through a commitment to training and quality;
- The BSA should consider introducing an adjudications process to manage residential disputes and a triage approach to prioritise and effectively manage disputes. BSA should a one-stop shop for disputes between consumers, builders and trade contractors, and the Queensland Civil and Administrative Tribunal (QCAT) should only be used for appeals;
- AIB supports the current arrangements with the Queensland Home Warranty Scheme;
- The BSA should introduce one mandatory uniform contract or series of contracts for domestic building work as prescribed in the Domestic Building Contracts Act;
- The BSA should provide greater clarity to consumers and contractors regarding what is a reasonable standard of construction and clearer definition of a defect; and
- Information on the most common building defects is needed for industry training.

### **Further Information**

For further information, please contact the AIB Chief Executive Officer or Policy & Advocacy Manager on (02) 6247 7433 or [ceo@aib.or.au](mailto:ceo@aib.or.au) or [policy@aib.org.au](mailto:policy@aib.org.au)

## Appendix 1

### About the AIB

Founded in 1951, the AIB is the peak body for building and construction professionals, acknowledged for its ability to bring individuals together who share a common interest in improving the standing of the building profession and their career within Australia and overseas.

The AIB is incorporated by Royal Charter and is the pre-eminent professional body for building professionals in Australia and the Asia-Pacific region.

Recognised as the accrediting body for building and construction degrees at educational institutions, the AIB has a long and proud history of supporting and servicing the building profession. For more than sixty years, the Institute has worked with the building and construction industry, government, universities and allied stakeholders to promote the building profession, support the development of university courses in building and construction whilst promoting the use of innovative building techniques and a best-practice regulatory environment.

AIB is proud of its role in promoting the exchange of information amongst individuals and accomplishes this through publications including the *Construct* magazine and the Australasian Journal of Construction Economics & Building (AJCEB).

The AIB also has an extensive continuing professional development program in Australia and overseas and facilitates the annual AIB Professional Excellence in Building Awards Program.

For further information please go to [www.aib.org.au](http://www.aib.org.au)