

21 September 2012

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

The Australian Master Tilers Association Ltd. submission to the Transport, Housing and Local Government Committee on the Inquiry into the Operation and Performance of the Queensland Building Services Authority.

The Australian Master Tilers Association Ltd. (AMTA)

AMTA is the national industry body representing the interests of the tiling and waterproofing industries in Australia. The main objects of the AMTA are to assist the wall and floor tiling and the waterproofing industries in Australia in its training and development by promoting and developing educational programs and industry best practice guidelines. While we support our industry's complete supply chain, our main focus is the representation and support of tiling and waterproofing contractors.

Although the AMTA was established fairly recently, a number of Members have enjoyed a positive relationship with the BSA for a number of years, both as contractors in the building industry and by being called upon to provide expert, independent inspection and reporting services to the BSA, Consumers and Builders for a number of years.

It was a direct result of this relationship with the BSA that the AMTA was established, as the need for an independent body representing our industry was identified and consequently, the AMTA was invited to provide advisory services to the BSA in the creation and delivery of content for the current round of BSA Super Shows.

Items for Consideration

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

The AMTA and its Members, prior to the establishment of the Association, have provided independent and impartial inspection and reporting services to the BSA, Consumers and Builders.

While our reports may or may not support position of either the Consumer, Building Contractor or the BSA in cases of dispute, the AMTA believes that the BSA does provide reasonable balance between the interests of the contractors and consumers.

We do note, however, that independent expert advice is, at times, not sought early enough. Although the BSA is an independent body, often the Consumer believes that the BSA will protect the interest of the Building Contractor and vice versa. With the early assistance of an independent expert, funded equally by both sides of the dispute, disputes may well be resolved in a more timely and cost effective manner through a consultation and mediation process, rather than the BSA making a ruling in favour of one side.

Due to the emotion involved in any dispute, it is almost inevitable that, when the BSA is required to make a ruling, one side or the other will be under the impression that the BSA is taking sides. This is true for both the Consumer and the Building Contractor, depending on the outcome of the ruling (i.e. whether a direction to rectify is issued or not).

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

The AMTA does not believe that reduction in BSA regulations could achieve significant cost savings in the construction of a new home. The license fees are reasonable and the potential negative impact on consumers of a reduction the financial requirements for Building Contractors far outweighs any potential cost savings.

In our opinion the costs associated with gaining Development and Building Approvals at a local government level constitute an significantly higher financial burden on the building industry. We believe that a speedier, more streamlined approval process is more likely to not only lower the cost of building a home, it would also aid in the economic recovery of the Building Industry.

The approval process, from the time a developer purchases a block of land to the eventual Building approval to begin construction of homes can take years. Compared to the costs attached to this process, the financial burden imposed on Building Contractors due to BSA regulations is relatively insignificant.

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 recent establishment of the BSA's "Technical Standards Unit" should go a long way to help in reducing the incidences of defective building work and disputes. The AMTA welcomes and supports the formation of this proactive unit. We believe that inspections and examinations of building work during construction can only lead to positive outcomes for both the Consumer and the Building Contractor. Early intervention into a potential problem before it becomes a defect is far better than handling a later dispute.



Industry groups, like the AMTA, could potentially enhance the effectiveness of this unit and could be called upon to assist in providing technical advice and information to contractors and the Technical Standards Unit when industry specific problem need to be resolved.

The BSA educational shows seem to be an effective tool for contractors, however, it would appear that the educational services provided by the BSA and Industry Groups are generally attended by the same group of contractors. Unfortunately, the contractors who may benefit from these services the most, rarely, if ever attend.

The need for ongoing professional development for license holders has been identified in the past, but unfortunately a system where a license holder is required to attend a certain number of approved and endorsed educational sessions has not been put in place.

We believe the implementation of a compulsory professional development program as condition for license renewal, should be considered. These programs could be delivered and endorsed by both the BSA and Industry bodies.

Funding for training of apprentices through government and industry bodies such as Construction Skills Queensland is available. We certainly recognise the importance of this funding and the training of apprentices, however, the need for continuing professional development of existing workers and contractors has been largely overlooked. After all, the current workers and contractors are training our future contractors. As an industry we should ensure that the skill levels are maintained at the highest possible level and, where possible, funding opportunities for professional development should be explored.

Not having dealt with the BSA from a consumer's perspective, we are not in a position to comment whether the support, education and advice provided by the BSA for consumers is effective. However, the BSA website contains a substantial amount of information for both consumers and contractors and, compared to websites developed by governing bodies in other states, the BSA's website is fairly simple to navigate.

The governance arrangements of and between the board and the general manager.

The effectiveness of the Queensland Home Warranty Scheme and its protections.

We are not in a position comment on these matters.

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

The AMTA believes that improvements could be made to the current licensing requirements, specifically in the area of experience required in order to be eligible for a license. The current system requires:

"Two years experience, which includes experience gained during an apprenticeship or other training, in—

- a. the scope of work for the class; or*
- b. other work, if the authority considers experience in the other work is at least equivalent to experience in the scope of work for the class."*



Effectively, in order to meet the experience requirements, a person either completes an apprenticeship (4 years nominal term for wall and floor tiling and 3 years nominal term for waterproofing for example), or a person works with a contractor for two years. It is noteworthy, that there is no requirement for the contractor providing the two years of experience to be properly licensed.

The worker, having gained the two years of experience, would then have to gain a Certificate III level qualification via the Recognition of Prior Learning (RPL) process in order to meet the technical qualifications. Fortunately, most, if not all, construction trades in Queensland are deemed "Restricted Callings", otherwise there would be little incentive for a young person to enter an apprenticeship under this system.

We do not believe that two years experience in our industry (or four years as an apprentice) is sufficient to enable a person regardless of age to operate a business carrying out tiling or waterproofing work. While they may have the entrepreneurial and/or business skills, the technical skills are more than likely to be insufficient.

We submit that the licensing requirements could be improved by increasing the experience requirement by at least two years after gaining the technical qualification. That would mean that in order to be considered eligible for a trade contractor's license, a person, having completed their apprenticeship, would require an additional two years of experience working in that field full time. A person, having gained their qualification through the RPL process would also be required to work an additional two years in that field in order to gain the required experience.

We believe that this would have a positive outcome for consumers and contractors, by improving the quality workmanship and reducing the number of defects.

The auditing process could be improved, although we understand that the resources required to do this effectively could be significant. There is, however, a definite need.

The tiling industry supplies goods and services to builders and consumers through tile retailers. The tile installation is carried out by tiling contractors who are usually separate entities. Based on recent research approximately 50% of tiles are sold to builders, for new construction and/or renovations and the other 50% are sold to the consumer who then engages a tiling contractor directly to install these tiles. (These percentages may vary depending on the demographics of the area). Transactions where the consumer purchases tiles and engages a tiling contractor are not subject to Home Warranty Insurance and as a result no accurate statistics are available.

Tile retailers often have a number of business cards of tiling contractors on display in their showrooms and while staff generally do not recommend a particular contractor, consumers often collect a number of business cards to obtain quotations for the work.

The AMTA recently collected tiling contractor's business cards from a number of Brisbane tile retailers, in order to gain a better understanding of licensing in our industry.

Of the 283 business cards collected:

51 were unlicensed

9 were not licensed for the scope of work they were advertising for (Bathroom renovations)

5 were trading as companies but only held individual licenses.



While this may well not be representative of the tiling industry as a whole, as many tiling businesses trade solely with builders and do not have business cards on display at tile retailers, of the business cards collected, nearly 23% of these contractors were not appropriately licensed or not licensed at all.

For this reason, we believe that the auditing process could be improved. Most tiling contractors operate in accordance with their licensing obligations and those legitimate contractors and consumers should enjoy protection from unscrupulous and unlicensed operators.

The AMTA would be happy to provide assistance and advice to the BSA, however, we are not appropriately resourced to conduct proper audits or research into our industry at this stage.

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

We believe that the current number of license classes is appropriate. Industry groups may well be able to take a greater role in terms of licensing standards and procedures, however, we believe that this could only be an advisory role to the BSA. Advice on scopes of work for a particular license class or advice and recommendations on the application of licensing provisions to a particular class.

For Example:

A contractor is required to be licensed if he/she wants to carry out, undertake to carry out or supervise building work valued over \$3,300 (including labour and materials). In the case of waterproofing in a residential home, this work is usually limited to wet area waterproofing, i.e. bathroom, ensuite, toilet and laundry. The value of this work is unlikely to ever exceed the \$3300.00 threshold and as a result no license is required. This is of particular importance when the home owner engages a waterproofing contractor directly for a minor renovation.

Although the Australian Standard for waterproofing internal wet areas (AS 3740-2010) is a primary referenced document by the Building Code of Australia (BCA) and the provisions of that standard are comprehensive, defective waterproofing is consistently listed in the top ten defects published by the BSA.

There are a number of trades and services where a license is required regardless of the value of the work, such as plumbing and drainage, fire protection and gas-fitting. Given the importance of adequate and proper waterproofing and the costs associated with repairing defects the AMTA submits that waterproofing should be included in the list of trades and services for which a license is required regardless of the value of the work.



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

We have identified a number of opportunities for reform in the submission above. To summarise:

- Engagement of independent experts early in the dispute process on a consultancy basis;
- Early intervention and advisory support during the construction process. The BSA with the support of industry groups and experts should be available to advise and if necessary intervene to avoid poor and non-compliant building work and the resulting defects;
- Implementation of a Continuing Professional Development requirement for licensees;
- Amendment to the experience requirements for new license applications;
- More effective auditing process to protect consumers and contractors from unscrupulous operators;
- Inclusion of waterproofing in the list of trades and services for which a license is required regardless of the value of the work.

We thank the committee for the opportunity to contribute to this inquiry. Should the committee require further information or input from the AMTA, please contact us via email info@mastertilers.org or please contact the author directly on 0421 202 607.



Frank Moebus

Managing Director

On behalf of The Australian Master Tilers Association Limited

