

Ref: A656960 / FOL21/354

19 March 2021

Mr Shane King MP
Chair
Transport and Resources Committee
Parliament House
George Street
BRISBANE QLD 4000

By email: trc@parliament.qld.gov.au

Dear Mr King

RE: AUDITOR-GENERAL REPORT NO. 16: 2019-20 – LICENSING BUILDERS AND BUILDING TRADES

Thank you for your correspondence of 25 February 2021 seeking a progress update from the Queensland Building and Construction Commission (QBCC) on the implementation of recommendations from the Auditor-General Report No. 16: 2019-20 – Licensing Builders and Building Trades.

As I outlined when I appeared before the Transport and Public Works Committee on 7 September 2020, the QBCC accepted all of the Queensland Audit Office (QAO) findings into whether it effectively regulates the building industry by issuing and managing licences in a fair and balanced way.

The QBCC remains committed to delivering on all of the 11 recommendations made by the QAO. I can confirm that six recommendations have now been delivered by the QBCC, with work continuing in relation to the remaining five recommendations.

I have considered all the questions asked in your letter of 25 February 2021 and have provided detailed responses in the Attachment.

I trust this information answers your enquiry. If you require further information or assistance with this matter, I can be contacted by email at commissioner@qbcc.qld.gov.au.

Yours Sincerely,

Brett Bassett

Brett Bassett
COMMISSIONER
QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION

Encl.

ATTACHMENT 1

Could the QBCC please provide an update on the progress on implementation of the audit recommendations?

The QBCC accepted all 11 recommendations from the Queensland Audit Office (QAO) audit into whether it effectively regulates the building industry by issuing and managing licences in a fair and balanced way.

Of the 11 recommendations, six (6) have now been delivered by the QBCC (an additional one recommendation has been delivered since the QBCC appeared before the Committee in September 2020). Of the remaining recommendations, one (1) is partially implemented, two (2) remain on track to be delivered and the delivery of the remaining two (2) recommendations will continue in the 2021/2022 and 2022/2023 financial years.

The six (6) recommendations delivered by the QBCC include:

- Certified photo ID now required for all new licence applications (recommendation 3);
- Quality Assurance Framework implemented (recommendation 5);
- Review and update licence assessment training and support for staff (recommendation 6);
- Finalise 2019-20 Customer & Communications Operations Plan (recommendation 7);
- Consider ways to assess quality and effectiveness of licensee and consumer education and advice (recommendation 8);
- Clear milestones and timeframes for current and future planning activities (recommendation 9).

The one (1) partially implemented recommendation is:

- Reducing the risk of unauthorised system change or fraud in BUILD (recommendation 2).

The two (2) recommendations on track to be delivered by the end of March 2021 include:

- Implementing elements of performance planning framework include ABC model, clear service measures and clear accountability for senior officers (recommendation 10);
- Develop evaluation skills, capability and processes relevant to efficiency of programs, services, initiatives and strategies (recommendation 11).

Delivery of the remaining two (2) recommendations will continue in the 2021/2022 and 2022/2023 financial years and include:

- Allocate sufficient resources to insights-driven regulator (recommendation 1);
- Allocate sufficient resources to address issue of disparate IT systems (recommendation 4).

The QBCC remains committed to delivering on all recommendations from the QAO audit.

Could the QBCC please provide an update on what actions it is taking to ensure it allocates enough resources to finalise and implement the steps needed to become an insights driven regulator and enable it to prioritise regulatory effort where and when it is needed?

The QBCC remains committed to delivering on the Insights Driven Regulator (IDR) program to ensure the QBCC becomes a more efficient and effective risk-based regulator, with a corresponding uplift in staff capability.

The proposed five-year delivery timeline for the IDR project anticipated full implementation of the IDR program in 2023.

To ensure robust project delivery, the QBCC created a new Executive Director, Portfolio Delivery role that has been tasked with ensuring that project outcomes are delivered, to scope, within agreed timeframes, and to budget.

A review has been undertaken by the new Executive Director to determine progress and delivery outcomes against the original IDR business case. The QBCC has developed data architecture and visualisation tools that enable early warning and detection capability of:

- Financial Stability including early detection of insolvency;
- Non-Compliance, specifically unlicensed contractors advertising on specific websites;
- Construction Dispute Risks (insights into trends of both overall dispute cases and the underlying building defect types).

Further development of dashboards and the integration of insights into the business is now a focus and will be resourced by the Strategy and Transformation Unit under the remit of a Director. A dedicated Insights and Analytics team is also being assembled to:

- Ensure governance, security and accuracy of data from source systems to the warehouse and to the business;
- Maintain the integrations that support the infrastructure;
- Expand the dashboards and insights in a manner that enables effective activity and decision-making; and
- Partner with the core business to optimise end use and investment outcomes.

QBCC is also developing a forward-looking strategy ("The Next Normal") that will embrace the approach of IDR to refocus the organisation with an enhanced technology focus. The aim of this enhanced approach is to not only provide insights for the regulatory business, but also for the organisation as a whole - to improve resource utilisation, reduce operating cost, enhance prioritisation of regulatory effort, and assist us to adapt to the post-pandemic operating environment, to name a few. The Next Normal will also consider the issue of disparate IT systems (QAO recommendation 4).

Could the QBCC please advise whether current resourcing capacity will ensure QBCC is on track to complete the IDR project within its original 5 year timeframe?

The QBCC is working on a resourcing model to support the continued delivery of the IDR model to ensure that it can deliver against the roadmap. This includes ensuring the QBCC has adequate resourcing capability to deliver both the technical and insights aspects of this work. Cost savings and efficiency gains from "The Next Normal" initiatives will be allocated to resourcing and technology enhancements needed to support the QBCC resourcing model.

The QBCC is working to identify how it might facilitate the ongoing work of the IDR program.

Could the QBCC please provide an update on actions being taken to develop staff capability, including change management capability?

The QBCC remains committed to attracting and retaining a skilled and capable workforce. Over the past 12 months, the QBCC has:

- Employed a dedicated Change Manager to assist in managing organisational change;
- Maintained its Performance Development Framework to guide the development of staff and ensure the achievement of organisational strategies, business plans and performance outcomes of work teams and individual staff members;
- Introduced a workplace health and wellness strategy;
- Introduced the HR and Finance Business Partner model to better support leaders and their teams;
- Introduced an integrated establishment reporting dashboard to support workforce planning;
- Introduced additional support to our frontline team members in dealing with aggressive stakeholders;
- Established a Staff Wellbeing and Engagement Committee to drive the employee experience;
- Provided Director and Senior Leadership Team leadership programs to support continued capability uplift;
- Selected staff members for the Emerging Leaders Program 2020-21;
- Maintained existing initiatives, such as Flexible Work Policy, Staff Engagement Strategy, Reward and Recognition procedures and Talent Management Framework to promote diversity and aid long-term succession planning.

The QBCC has employed a dedicated Change Manager who has developed the following frameworks, tools and activities over the past 12 months to develop the QBCC's change management capacity:

- Created the QBCC Change Management framework and supporting tools for use across QBCC projects;
- Developed the Change Community of Practice (CoP) for change advisors, managers and interested employees in leading change;
- Developed a change heat map for the QBCC to identify where change is impacting across the business units;
- Introduced a change topic into the monthly leader's brief toolkit newsletter to educate leaders across all levels of the QBCC with each step involved in leading and implementing change;
- On-board each change advisor, inducting them into the QBCC framework, tools ways of operating and change CoP;
- Capturing lessons learned across change projects to ensure success in future implementations;
- Using effective change management techniques across business as usual activities for success and role modelling;
- Successfully used change management to underpin the QBCC's COVID-19 response and returning staff to the office.

Actions underway currently including the development of a leading change training/webinar session with work-based action learning components.

The QBCC also developed a suite of mandatory training, which has achieved an 80% completion rate during the current financial year. The training included:

- Code of conduct and workplace bullying, harassment and EEO;
- Customer Feedback, Customer Engagement Management and Social Media policies;
- Conflict of Interest and Secondary Employment Policy and Procedure;
- Fraud and Corruption and Public Interest Disclosures;
- Privacy Awareness and Managing Public Records.

Could the QBCC please provide an update on actions being taken to ensure that it is able to assess the quality and effectiveness of education, support and advice?

The QBCC continues to implement new customer focused initiatives to improve customer service and the effectiveness of its regulatory obligation to provide industry with education, support and advice.

Implemented initiatives include:

- Delivered a Communication & Engagement strategy to support the Regulatory Strategy and Corporate plan coupled with a supporting campaign and events calendar;
- Undertook customer segmentation mapping to better understand channel preferences;
- Evolved the Customer & Communications Operational plan and related KPIs which are reported on both monthly and quarterly including channel engagement and effectiveness measures (phone, email, social, self-service, webinars, events, website);
- Set up a customer enquiries live dashboard which provides insight into most common enquiries and channels;
- Delivered User Experience testing with various customer segments to inform improvements to the myQBCC self-service platform;
- Contact Centre quality assurance framework has been updated with additional KPIs to support better service delivery;
- Post call survey has been set up to better inform service experience and continuous improvement;
- Survey added to all pages of the external website to understand effectiveness of information provided;
- Expanding digital education to home owners, licensees and industry participants including webinars, videos, website blogs and social media;
- Delivering a roadshow and tradie tour in March 2021;
- Monthly stakeholder meetings on new reforms including MFR, project trust accounts and fire licensing reforms;
- Attendance at the Brisbane Homeshow;
- Uploading of additional regulatory guides on the QBCC website;
- Homeowner information blogs;
- Delivering STC forums including Gold Coast in November 2020 and Townsville March 2021.

The QBCC is developing a number of additional initiatives to further improve stakeholder engagement, the digital customer experience and inform customer insight development.

Some of the initiatives currently underway include a website refresh project and the migration of the QBCC call management system to a more contemporary solution. The QBCC will continue to build on its education and advice functions based on industry feedback and compliance outcomes.

Could the QBCC please provide an update on how its customer contact centre is tracking in regards to meeting key performance indicators?

The QBCC's customer contact centre is trained in providing general advice and aims to resolve matters at the first point of contact. The QBCC continues to focus on improving the customer experience through evolving our data and analytics capability, enabling more digital services and optimising our workforce planning.

Key activities over the past 12 months that have helped the QBCC meet and in some cases exceed its Key Performance Indicators (KPIs) include:

- Redesigning our Interactive Voice Response to be more customer-centric and to better triage calls to specially trained officers;
- Making more services available to customers through our digital portal, myQBCC, and optimising the user experience to support self-service transactions;
- Recalibrating our key performance indicators to better align to customer expectations and aligning workforce planning accordingly;
- Improving our response to seasonal peak periods of demand when increased workload is generated;
- Upskilling our staff to better support the resolution of customer enquiries across all our business line queues;
- Implementing a new framework for recording enquiry trends within our Customer Relationship Management system;
- Improvements made to the training program.

Whilst the QBCC's Contact Centre Key Performance Indicators (KPIs) fluctuate from day to day, in the last Contact Centre's KPI quarterly review (Dec Quarter 2020), key performance targets had been exceeded including:

- Average Speed of Answer (2.32 minutes against a target of less than 5 minutes);
- First call resolution (98% against a target of greater than 80%).

Other lead indicators were also on track or in tolerance including the quality assurance pass rate, absenteeism, staff turnover and average handling time.

Could the QBCC please provide an update on actions being taken to ensure the establishment of clear milestones and timeframes for implementing current and future planning activities are being developed?

The QBCC introduced a number of new planning and reporting frameworks before the QAO finalised its audit.

All documents within the Enterprise Performance Management Framework were also reviewed and updated for the 2020-21 financial year. These include:

- Integrated Business Planning Framework;
- Corporate Governance Framework;
- Project Development and Implementation Framework;

- Risk Management Framework;
- Data and Information Management Operating Model;
- Data and Information Management Strategy;
- Communication and Engagement Strategy.

Strategies are in place to help the QBCC deliver on all of these plans, and the milestones and metrics contained therein, to support the QBCC in measuring its performance and driving further accountability for delivery. These milestones, metrics and timeframes also form a critical foundation for 2021-2022 planning activities.

In addition to the above frameworks, QBCC is currently implementing a new Enterprise Performance Management tool. This tool will drive a holistic view of performance and risk management for the organisation and support leadership to view information in real time to enable timely, evidence-based decision making, as well as supporting greater governance and reporting.