



Speech by

**Hon. Robert Swarten**

**MEMBER FOR ROCKHAMPTON**

Hansard Tuesday, 22 May 2007

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## **QUEENSLAND BUILDING SERVICES AUTHORITY AND OTHER LEGISLATION AMENDMENT BILL**

### **Second Reading**

**Hon. RE SCHWARTEN** (Rockhampton—ALP) (Minister for Public Works, Housing and Information and Communication Technology) (12.32 pm): I move—

That the bill be now read a second time.

Today I am pleased to introduce the proposed amendments to Queensland's building services legislation. The amendments relate to the Queensland Building Services Authority Act 1991, the Domestic Building Contracts Act 2000 and the Professional Engineers Act 2002. Queensland has some of the strongest building services legislation in Australia. The new amendments are intended to consolidate Queensland's reputation as a national leader in licensing and home warranty insurance. The amendments will better protect the consumers of this state while continuing to promote a thriving Queensland building industry.

One of the key initiatives in the bill is the introduction of occupational licensing for fire protection workers. The 2000 report entitled *Building fire safety in Queensland budget accommodation—the Childers report*—which was released following the Palace Backpackers Hostel fire in Childers, made a range of recommendations to improve fire industry standards. These recommendations include the introduction of fire protection contractor licensing, which was implemented on 1 January 2001 pursuant to amendments to the QBSA Act. An outstanding recommendation of the Childers report is the establishment of an occupational licensing regime for the fire protection industry. The bill amends the QBSA Act to provide the statutory framework to implement this recommendation.

The benefits to the community of an occupational licensing system for fire protection workers include improved compliance with building fire safety regulations leading to reduced costs for owners, occupiers, government, emergency services and local government; better training and improved worker safety for fire protection workers; greater community confidence that work is performed by appropriately skilled workers to the prescribed standards; and reduced risk to firefighters responding to fire emergencies.

The bill also makes important changes to supervision of building work in the state. Appropriate supervision by qualified persons is a critical element for quality building work to be carried out. Research by the Queensland Building Services Board indicates that poor site supervision is one of the major causes of serious defective building work and that there is a shortage of licensed supervisors in the industry to carry out on-site supervision.

The bill widens the pool of persons who may undertake supervision in the state by creating a two-tiered licensing system for supervisors, which for the first time provides for a specific licence for site

supervisors. The benefit of this new system is that it acknowledges that site supervisors have different levels of skills and qualifications when compared to nominee supervisors who have broader supervision responsibilities within companies. A further benefit of this new system is that it will promote a career pathway for those wishing to enter the industry and will reduce the cost of licensing for persons who wish to be licensed site supervisors.

A number of amendments are also proposed to improve compliance and enforcement. These measures include—

- increasing the maximum penalties for a number of offences—for example, unlicensed contracting—to bring them in line with other comparable legislation;
- expanding the existing demerit point regime for licensees who consistently fail to comply with fundamental obligations—for example, payment of insurance and failing to rectify defective building work in accordance with a direction;
- creating new offences which address serious misconduct—for example, obstruction or assault of an inspector; and
- allowing the Queensland Building Services Authority to refuse to issue a licence or permit where a person does not take the necessary steps to discharge a fine for an infringement notice offence against the QBSA Act or the Domestic Building Contracts Act.

In view of the time, I seek leave for the remainder of my second reading speech to be incorporated in *Hansard*.

Leave granted.

The Bill also introduces a licence fee differential.

The effect of this differential is that contractors who have been issued with a direction to rectify defective work will pay a higher licence fee than those contractors whose work is not defective.

This proposal arose from the National Competition Policy Review of the QBSA Act, and is intended to provide a strong incentive to licensees to perform a satisfactory standard of work.

The Bill also makes important amendments to the Home Warranty Insurance Scheme.

For the first time the BSA will be able to conduct audits for compliance with the insurance requirements under the QBSA Act as part of its audit functions.

The Bill also amends the QBSA Act to ensure developers cannot claim on the Home Warranty Scheme for defective building work carried out as part of their development.

The purpose of the Scheme is to provide protection for home owners. It is not and never was intended to cover business risks associated with commercial development projects.

The Bill further amends the QBSA Act to allow the BSA in specified circumstances to issue a direction to a developer to rectify defective work.

The intent of the amendment is to make developers more accountable in circumstances where they have intentionally entered into an agreement with a building contractor to carry out work in a way, or use materials, likely to result in defective building work.

These types of arrangements tend to occur in “off the plan” type development arrangements and in a number of recent cases have led to significant consumer detriment without appropriate remedy.

The Bill also provides that a direction given under this provision may be included on a public register maintained by the BSA under the QBSA Act to warn future consumers.

The Bill will also amend the owner-builder permit provisions in the QBSA Act to minimise the likelihood of permit holders carrying out defective building work, clarify ambiguities in the existing provisions and generally improve the administrative framework for the permit system.

A small number of amendments are also proposed to the Domestic Building Contracts Act 2000.

These amendments increase the maximum penalties for a number of offences, expand the range of demerit offences, insert an offence provision for failing to keep prescribed documents, and clarify the types of contracts intended to be covered by the Act.

Finally, the Bill amends the Professional Engineers Act 2002 to correct an administrative oversight with respect to professional engineer registrations made under transitional provisions which apply the provisions of the repealed Professional Engineers Act 1988.

Mr Speaker, I commend this Bill to the House.