

A. Full responses from entities

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the Queensland Building and Construction Commission. We also provided a copy to the Department of Housing and Public Works for its information.

The head of these agencies are responsible for the accuracy, fairness and balance of their comments.

This appendix contains their detailed responses to our audit recommendations.



Comments received from Commissioner, Queensland Building and Construction Commission



Contact: Brett Bassett
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11 June 2020

Mr Brendan Worrell
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Mr Worrell,

RE: PERFORMANCE AUDIT ON LICENSING BUILDERS AND BUILDING TRADES

Thank you for your letter dated 22 May 2020 regarding the proposed report to Parliament and the recommendations made as an outcome of the recent performance audit.

I acknowledge the report's conclusions and wish to thank you for the recommendations made to improve in the areas of licensing, monitoring and enforcing compliance, providing education and support to licensees and consumers, and improvements to the way in which the QBCC manages and reports on performance.

The QBCC has commenced implementing the recommendations and we are very optimistic that these improvements will be delivered within the timeframes we have indicated in the attachment.

Thank you for the opportunity to provide our feedback and also please convey our thanks to your officers, who conducted the audit with the utmost professionalism. We look forward to assisting your officers again during the follow-up audit.

If you require any further information or assistance with this matter please contact me directly.

Yours sincerely,

Brett Bassett
COMMISSIONER
QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION

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Responses to recommendations



Queensland Building and Construction Commission

Licensing builders and building trades

Response to recommendations provided by the Commissioner, Queensland Building and Construction Commission (QBCC) on 11 June 2020.

Recommendation	Agree/Disagree	Timeframe for implementation (Quarter and year)	Additional comments
Compliance and enforcement			
1. allocates enough resources to finalise and implement the steps needed to become an insights-driven regulator to enable it to prioritise regulatory effort where and when it is needed, including: <ul style="list-style-type: none"> identifying areas of greatest risk and potential harm focusing on high-value, high-complexity tasks (Chapter 5) 	Agree	Q2 2021 (April-June)	<p>Phase 1 of the QBCC's Insights Driven Regulator (IDR) project will be completed by 30 June 2020.</p> <p>Following recent Board endorsement of the Regulatory Strategy, the IDR capability will continue to support the rollout of a targeted compliance program over the next 4 years, providing QBCC officers with insights based on real-time data to make better informed, high-value compliance and enforcement decisions, which are often difficult due to the high-complexity of the issues. This will ensure focus is better directed to the areas of greatest risk and potential harm.</p> <p>To ensure there is sufficient ongoing resources allocated, next steps include undertaking a workforce capability analysis across the QBCC, to identify what is required to support the uplift in both insights capability and capacity, with sufficient levels of digitally-literate FTE who are capable of utilising data meaningfully in the application of business intelligence, machine learning and cognitive automation techniques.</p> <p>It is envisaged this workforce strategy will be completed by 31 December 2020 and budget and resource allocation will commence from 1 July 2021.</p>

Recommendation	Agree/ Disagree	Timeframe for Implementation (Quarter and year)	Additional comments
Licensing			
2. reduces the risk of unauthorised system changes or fraud, by: <ul style="list-style-type: none"> implementing a systematic process to remove and review the BUILD licence system access for staff who return to their substantive position once temporary roles are over (Chapter 4) regularly reviewing audit log reports to ensure no unauthorised changes are made to BUILD data (Chapter 4) 	Agree	Q3 2020 (July-September)	The QBCC is strengthening processes to: <ul style="list-style-type: none"> review and remove access to the BUILD licensing system when temporary staff return to their substantive roles within the QBCC; and regularly review audit log reports to ensure no unauthorised changes are made to BUILD data.
3. implements recommendation 4 of the 2019 Special Joint Taskforce report that requires licence applicants to provide certified proof of identity photo identification (Chapter 4)	Agree	Q4 2020 (October- December)	Work has commenced to determine the requirements to integrate the new initiative of photo identification for new licence applications, which will be implemented as an activity in the FY 2020/2021 Operational Plan and delivered by 31 December 2020.
4. allocates and commits enough resources, with the required capability and skill, to implement its internal project to address the issue of disparate information technology systems (Chapter 4)	Agree	Q3 2020 (July - September)	A business case was approved in 2017 and the subsequent annual tranche project documents have been reviewed and remain materially correct. These include works that would consolidate the user experience for the information systems being subject to this recommendation. Updated estimates including provision for new groups in the QBCC have been completed. This project will be submitted for funding consideration for the FY 2020/2021. A revised Information Services Roadmap will be developed and approved by 30 September 2020. This will enhance the understanding of what IT systems need to be enhanced; the resources and budget required; and the overarching impact on supporting the organisation.

Recommendation	Agree/ Disagree	Timeframe for Implementation (Quarter and year)	Additional comments
5. ensures the Quality Assurance Framework and program of quality assurance reviews are implemented across all business units covered by the framework (Chapter 4)	Agree	Q3 2020 (July-September)	From 1 July 2020 the Commissioner will direct that every SLT member commits and reports on a monthly basis on the application and implementation of the QA Framework
6. reviews and updates licence assessment training and support for staff, by: <ul style="list-style-type: none"> reviewing procedural manuals and supporting tools to ensure they are up to date. formalising the training program, including setting learning objectives, to ensure all staff receive consistent and relevant training (Chapter 4) 	Agree	Q4 2020 (September – December)	Processes are established and being implemented for: <ul style="list-style-type: none"> reviewing the Licensing Services procedure manual on an ongoing basis (integrating governance controls showing version date and numbering on the manual as evidence of regular updates). The Future of Work project is specifically supporting the review of all manuals and this work will be completed by October 2020. maintaining regular liaison with the QBCC's Learning & Development (L&D) Team to ensure all staff receive consistent and relevant training in the procedures, including revisions to the Licensing Services procedure manual. The L&D system will record evidence of each staff member having undergone training.

Recommendation	Agree/ Disagree	Timeframe for Implementation (Quarter and year)	Additional comments
Education and support			
7. finalises and implements the 2019–20 Customer and Communications Operational Plan and the supporting education and communication calendar. This should include allocating enough resources to deliver the program of activities (Chapter 6)	Agree	Q2 2020 (April-June)	<p>The 2019–20 Customer and Communications Operational Plan was finalised and implemented with quarterly reporting as an ongoing management control.</p> <p>The Education and Communication Calendar will be developed as a part of the Communications and Engagement Strategy by 30 June 2020. This supports the Regulatory Strategy and organisational needs.</p> <p>Reporting and evaluation of the success of each campaign will be conducted after the campaign is completed. An annual review of completed calendar activities will be conducted at the end of each financial year.</p>
8. considers ways to assess and report on the quality and effectiveness of support, education, and advice provided to licensees and consumers to inform continual improvement (Chapter 6)	Agree	Q2 2021 (April-June)	<p>The QBCC will consider customer feedback channels to assess and report on quality and effectiveness of education and advisory services for licensees and consumers, by 30 June 2020.</p> <p>This data will be used to enable continual improvement and quarterly reporting. Market research will be considered where it provides value for money.</p> <p>As part of the QBCC's Integrated Business Planning process, management will be required to assess and report on customer and communications performance by utilising the outcomes and metrics as documented in the Communications & Engagement Specific Purpose Plan. The results of this will inform the QBCC's continuous improvement intent and transformation agenda.</p>

Recommendation	Agree/ Disagree	Timeframe for Implementation (Quarter and year)	Additional comments
Managing and reporting performance			
9. establishes clear milestones and firm timeframes for implementing current and future planning activities, including: <ul style="list-style-type: none"> • determining regulatory strategies, outcomes, and goals • undertaking and finalising corporate, special purpose, and operational planning, including budgeting, and resource planning and utilisation (Chapter 7) 	Agree	Q2 2020 (April-June)	The QAO final report acknowledges the various frameworks which have recently been introduced and being implemented, to ensure current and future planning, budgeting and resource allocation activities are undertaken within sufficient timeframes, to enable plans to be implemented from 1 July each year. Evidence of ongoing commitment to these undertakings will be available for review by the QAO, by 1 July 2020, by the production of a full suite of strategic, corporate, special purpose, program/project portfolio and operational plans, with associated budgets and resource allocations.



Recommendation	Agree/ Disagree	Timeframe for Implementation (Quarter and year)	Additional comments
<p>10. develops and implements further elements of its performance management framework to improve accountability and adequately measure and report on its efficiency and effectiveness, including:</p> <ul style="list-style-type: none"> • using the activity-based costings developed to implement an internal costing framework, so that consistent, reliable, and timely cost information is available on its resources and service activities • identifying clear service outcomes and measures to track the status and effectiveness of those goals, and management-level efficiency indicators to monitor and report on its operations and services • having clear accountabilities for all senior officers (Chapter 7) 	Agree	Q4 2020 (September- December)	<p>The QBCC is well-advanced with implementing further elements of its performance management framework. Performance reporting of clearly identified service outcomes and development of individual plans for all senior officers to drive accountability are on track, to enable the delivery of clear and transparent reporting for the period ending 31 December 2020. These individual plans will be aligned and cascade from a revised Corporate Plan and the subsequent Operational Plans by division and the Specific Purpose Plans by function.</p> <p>While the QBCC is currently reporting on metrics for the Commissioner utilising a simple dashboard, the QBCC is working towards delivering on a more sophisticated suite of performance reports in a visualisation tool, to enable senior management to monitor efficiency indicators and track the status and effectiveness of goals. The new tool is on track to be implemented by 31 December 2020. The QBCC will utilise this functionality to further enhance performance reporting thereafter.</p> <p>The QBCC will also finalise a review of the activity-based costing model to ensure it is in line with the organisation as it sits now, compared to when it was first implemented. This review will be completed by 31 December 2020.</p>
<p>11. develops the evaluation skills, capability, and processes needed for the formal assessment of the appropriateness, relevancy, process, effectiveness and/or efficiency of a program, service, initiative, or strategy (Chapter 7).</p>	Agree	Q2 2021 (April-June)	<p>A function providing the evaluation skills, capability and processes will be embedded within the new Strategy and Transformation divisional structure of the QBCC.</p>

Comments received from Director-General, Department of Housing and Public Works



Department of
Housing and Public Works

Our Ref: HPW01275-2020
Your Ref: 9171P

- 9 JUN 2020

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
Level 14, 53 Albert Street
BRISBANE QLD 4002

Dear Mr Worrall *Brendan*

Thank you for your letter of 22 May 2020 regarding the performance audit on licensing builders and building trades.

I acknowledge the objective of this audit is to assess how effectively the Queensland Building and Construction Commission (QBCC) regulates the building industry by issuing and managing licences in a fair and balanced way.

Thank you for providing the draft in-confidence report and proposed 11 recommendations that aim to help the QBCC become a stronger and more effective regulator. Thank you also for your advice regarding the current timeframes for finalising and tabling the report.

The Department of Housing and Public Works (DHPW) notes the draft findings and recommendations in the report and will, where appropriate, assist the QBCC to address identified issues.

Should you need to contact an officer in relation to this matter, Dr Michelle Hill, Acting Director, Building Legislation and Policy of DHPW can be contacted on or
email

Yours sincerely

A handwritten signature in blue ink that reads 'Liza Carroll'.

Liza Carroll
Director-General

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