

Re-building Productivity

Preliminary submission to the
Queensland Productivity Commission

June 2025

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Introduction

As the peak industry body representing the interests of 10,000 members across the state, Master Builders plays an important role in supporting the health and sustainability of the building and construction sector. Our membership spans the full spectrum of the industry – from residential and commercial builders to subcontractors, manufacturers, and consultants.

From the time the Crisafulli Government came to office, we have made our position clear: restoring productivity is crucial to driving Queensland forward.

Across the last decade, Queensland's building and construction industry has continued to grapple with waves of new and complex regulations, rising construction costs, workforce shortages, and declining productivity.

Today, it is also wrestling with a housing crisis, the shortage of skilled labour has reached a critical low, and there is a \$59 billion construction pipeline ahead in 2025 alone. The venues and infrastructure outlined in the delivery plan for the 2032 Olympic and Paralympic Games are also on the horizon.

Improving productivity in the building and construction industry is a central driver to building a strong Queensland economy, delivering housing targets and planned infrastructure, and increasing industry capacity over time.

Every regulation and every policy decision of government impacts industry productivity. Restoring productivity therefore requires a whole-of-government response. It calls for a long-term focus, and a bold, coordinated approach to decipher and deliver the best course of action to streamline and bolster the building and construction industry as a leader for the present and future benefit of everyone in our state.

Government has sought to meet this challenge head-on by establishing the Queensland Productivity Commission and setting a review of the regulation of the construction sector as a its first order of business.

This preliminary submission is Master Builders' contribution to the Commission's research as the next important step in this process. It recognises that construction is a process of many moving parts, all of which must be working seamlessly together to address the productivity challenge.

We value our seat at the table with the Commission, as we work towards a shared vision of establishing our state as the home of the best-positioned and most productive construction industry in the nation.

Acronyms

ABCB	Australian Building Codes Board
BCR	Building Confidence Report
BPIC	Best Practice Industry Conditions
BPP	Best Practice Principles
CCPD	Compulsory Continuing Professional Development
EBA	Enterprise bargaining agreement
EV	electric vehicles
MMC	Modern Methods of Construction
NCC	National Construction Code
QBCC	Queensland Building and Construction Commission
QDC	Queensland Development Code
WHSQ	Workplace Health and Safety Queensland

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Summary of Recommendations

Priority Actions

- ❖ Permanently repeal BPIC for all Queensland government funded projects.
- ❖ Remove the mandate to comply with NCC 2022 energy efficiency and livable housing requirements through an amendment to the Queensland Development Code.
- ❖ Implement a moratorium on new NCC provisions that impede housing affordability. Use the time to refocus efforts on achieving a strong and practical NCC that has safety, quality and the process of building at its centre.
- ❖ Transform the QBCC, the building industry regulator, through immediate operational change and longer-term strategic and structural reform to become a more dynamic, transparent and risk-based regulator that is focused on its core regulatory functions.
- ❖ Remove project trust accounts from the security of payment system.

Recommendations

1. Government procurement provides fair and reasonable contract terms, risk allocation, tendering processes and contract administration in Queensland Government contracts starting with the recommendations of the Master Builders Queensland Government Procurement Position Paper.
2. Increase the deposit allowed under domestic building projects to 10 per cent, supporting contractors' ability to properly fund the necessary up-front construction work and to manage cash flow.
3. Develop and implement mandatory planning codes, including a Queensland Housing Code, to standardise basic siting and design requirements for detached houses, secondary dwellings, and small attached dwellings.
4. Action the 10 essential changes to NCC 2022 to end the worst of the cost hikes and technical problems.
5. Provide free access to Australian Standards referenced in the NCC.
6. Invest in the development of building regulation to properly address emerging construction challenges, supported by research, starting with electric vehicles in buildings.

7. Conduct an independent review of the interface between the *Planning Act 2016* and *Building Act 1975*, with the objective of identifying and resolving points of friction, inconsistency, and regulatory duplication.
8. Rework the process for utility connections to ensure timely and reliable connections, that do not add undue cost or time to new housing developments.
9. Develop an apprentice commencement and retention strategy.
10. Provide financial incentives for apprentices on completion of their first year (when apprentices are most likely to drop out), and on completion of the full apprenticeship.
11. Increase apprentice wage subsidies to incentivise commencements and offset high supervisory costs in the first year.
12. Continue to support programs that seek to attract and retain women to the construction industry such as Master Builders Australia's Women in Building program.
13. Support federal migration initiatives to supplement local workforce with permanent skilled workers.
14. Adopt the National Building Products Coalition's Proposal for Change for evidence of suitability in the NCC to improve building product assurance.
15. Provide leadership on the shared building blocks of product traceability to facilitate the development of digital traceability systems across the construction supply chain.
16. Upskill the industry through introduction of a CCPD program for all QBCC contractor licensees that is targeted and practical.
17. Review Queensland's workplace health and safety laws to remove provisions that do not improve worker safety or create unnecessary duplication. Ensure Queensland's workplace health and safety laws reflect, to the greatest extent possible, the National Model Workplace Health and Safety Law.
18. Improve access to the existing security of payment protections for all contractors.
19. Funding for demonstration projects and training centres to practically explore emerging issues and the adoption of innovative construction methods and products.
20. Support confidence in MMC investment by supporting a medium to long-term pipeline of demand.

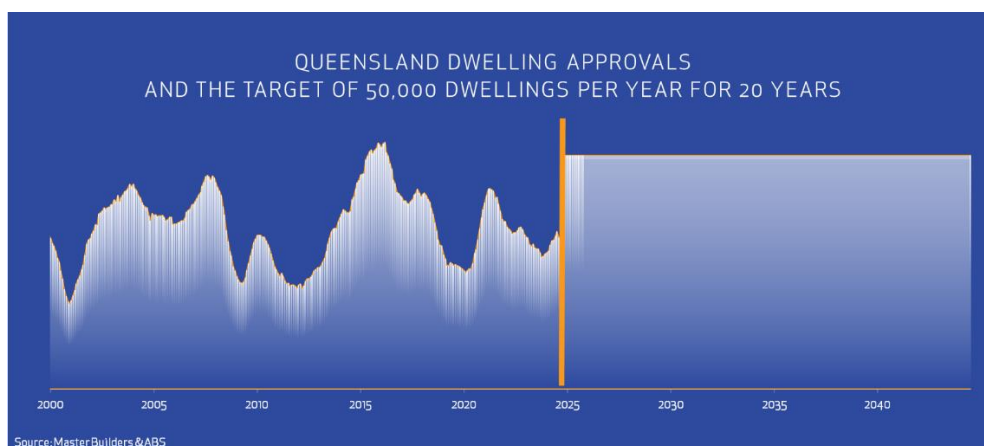
Productivity imperative

Improving productivity in the building and construction industry is a central driver to building a strong Queensland economy, delivering housing targets and planned infrastructure, and increasing industry capacity. Improved productivity can result in higher quality and greater innovation in new construction and building projects.

Despite efforts to grow the Queensland building and construction industry workforce, labour shortages persist and affordability problems mean that we need to find ways of doing more with less. This challenge is compounded with a heavy regulatory burden, has driven up both the cost and time required to complete building projects.


The latest data from the Australian Bureau of Statistics reports that building construction costs in Queensland have risen by 37.9 per cent over the past five years, while the cost of building a house has surged by 51.8 per cent in the same period.¹ During this time, the average time from approval to completion for new houses in Queensland has increased by three months and are now averaging 10 months. Improved construction productivity would mean faster build times and smaller price tags for completed projects, including new homes.

We continue to fall drastically short of the targets needed to address Queensland's housing crisis. The government's target of building one million homes over 20 years (50,000 each year)² is a scale of delivery that has never before been contemplated, let alone achieved. It will require a fundamental shift to far more productive housing delivery.



¹ Australian Bureau of Statistics, 6427.0 Producer Price Indexes, March 2025

² [LNP - Securing Our Housing Foundations Plan](#)



At the same time, we cannot forget the substantial pipeline of essential community infrastructure that must also be delivered - hospitals, schools, and the facilities for the Brisbane 2032 Olympic and Paralympic Games.

We need to lift industry productivity and yet currently, the reverse is occurring. The recent report by the Australian Productivity Commission found that dwelling construction productivity (labour productivity) declined by 12 per cent over the past 30 years, compared to the broader economy which increased by 49 per cent for same period.³

“The layers of bureaucracy, government fees and building requirements are completely out of hand. By the end of it all, it costs \$100k or more just to satisfy the bureaucratic and legislative requirements.” [Small scale residential builder]

³ Australian Productivity Commission, February 2025

Re-building Productivity

Master Builders has prepared this preliminary submission to outline where meaningful change can be made to begin addressing the issues to drive an improvement in productivity in residential and commercial construction. Change must consider the construction supply chain in its entirety and provide interventions at each stage where barriers exist.

This will require coordinated action to address:

- the early stages where projects are procured and delivery is set out in the contract terms.
- the parallel approval process in both planning and building regulation
- building product assurance, knowing what the right product for the right place, and labour supply where there are enough skilled people working efficiency without compromising safety
- the construction process itself, with a fair and efficiency payments system and regulatory oversight that weeds out the poor actors, without hindering those doing the right thing.

Reaching across each of these elements are opportunities to improve productivity that must be seized.

These opportunities are summarised in Table 1 below and form the basis of this preliminary submission.

Construction Supply Chain: Opportunities to tackle productivity

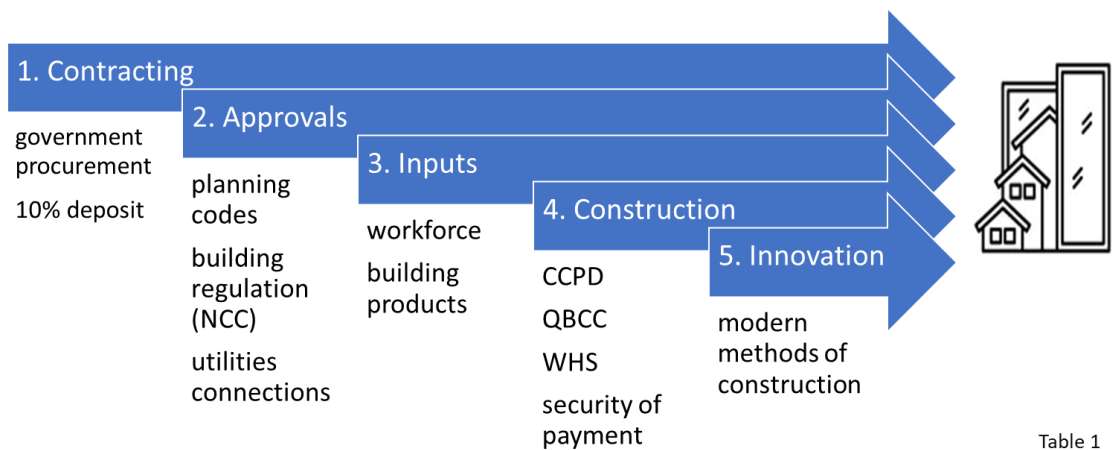


Table 1

1. Contracting

For businesses to be sustainable and productive they need to be paid enough to cover all expenses and overheads and make sufficient profit to sustain their businesses in the face of a very challenging environment. Builders need adequate cashflow, certainty of overhead costs and predictable labour and material costs.

The vast majority of businesses in the construction industry are small or family businesses. Healthy profit margins, fair risk allocations, and sufficient skilled labour to enable timely builds are critical. Often these need to be managed in fixed-price contracts.

Standard industry contracts are placing too much risk on contractors, which cannot be adequately priced up front. Some tendering practices drive a 'race to the bottom' resulting in insufficient contingency, cash flow, and profit. What is needed are fair and reasonable contract conditions.

Government can lead here and recognise that not all risks are capable of being fully assessed, priced, managed or absorbed by the builder, and that such risks are best managed collaboratively – including risks related to utilities, planning approvals and latent conditions. Government should lead by providing fair and reasonable contract terms, risk allocation, tendering processes and contract administration in Queensland Government contracts.

Government procurement

With \$59 billion of vital community assets such as hospitals, schools, and housing planned in 2025, it is essential that the Queensland government adopts a procurement model that enhances productivity, reduces unnecessary red tape, and ensures timely, cost-effective delivery. This will ultimately lead to a sustainable industry and provide value for money of government spend.

The Queensland government's procurement framework can be strengthened by focusing on:

- a consistent and transparent project pipeline
- fit-for-purpose contract terms and procurement processes
- reducing duplicative and costly compliance requirements
- ensuring fair, competitive access for regional and small to medium enterprises
- ensuring safe construction workplaces.

A strengthened Queensland procurement framework will lead to a sustainable industry, supporting productivity and provide value for money of government spend.

Best Practice Industry Conditions (BPIC)

Until recently, the Queensland procurement system contained additional requirements for major projects above \$100 million in contract value. These projects needed to comply with the Best Practice Industry Conditions. The current government paused this requirement, including

the requirement for head-contractors to engage only with BPIC-prequalified subcontractors, in November 2024.

The decision to pause BPIC has not diminished worker entitlements or conditions, nor has it reduced workplace safety.

While the BPICs were in place analysis shows up to 96 working days were lost in a calendar year because of a lack of flexibility in the use of rostered days off and working hours generally. If BPICs were exercised to their full extent, the cost to build a two-bedroom apartment blows out by 33 per cent – from \$870,000 to \$1.16m.⁴

Under the Queensland Procurement Policy the Best Practice Principles (BPP) for workplace health and safety systems and standards and for apprentices and trainees continue to remain in force and apply to projects of \$100 million or more (or declared projects). The detail of these principles is met by tenders demonstrating their ability to comply with the following:

- workplace health and safety laws
- Local Benefits test, and
- Queensland Government Building and Construction Training Policy.

Compliance with these provisions are required to be met by all tenderers for government building projects. Notwithstanding the tenderers need to demonstrate how they will comply with the requirements, having them replicated in a BPP and pre-qualification is unnecessary duplication and red tape.

Currently only 12 builders are pre-qualified to deliver projects over \$100m. The pre-qualification requirement had the practical effect of requiring these head contractors (and their subcontractors) to enter a union enterprise agreement. This served to act as a constraint on small and medium contractors, especially in the regions in competing for government tenders.

The combined effect of the BPP and BPIC model was to restrict competition, value for money and productivity.

Further information:

- [Queensland Government Procurement: Master Builders Position Paper](#)
- [QEAS Report - CFMEU EBA Impact on Apartment Prices, June 2024](#)

⁴ [QEAS, Economic Analysis of the Impact of the CFMEU Queensland EBA on Queensland apartment construction prices 2024](#)

Priority Actions

- ❖ Permanently repeal BPIC for all Queensland government funded projects.

Recommendations

1. Government procurement provides fair and reasonable contract terms, risk allocation, tendering processes and contract administration in Queensland Government contracts starting with the recommendations of the [Master Builders Queensland Government Procurement Position Paper](#).

10 per cent deposit

In construction, properly investing in the early stages of a project has significant implications for the efficient and successful delivery of the project practice. In domestic construction, being able to make this investment is restricted by the deposit limits in the *Queensland Building and Construction Commission Act 1991*.⁵

The deposit payment that can be taken under a domestic building contract has been capped at 5 per cent since the introduction of the provisions in the *Domestic Building Contracts Act* back in 2000.⁶ In the 20 years since the rule was introduced there has been a substantial increase in both the scale and the cost of tasks performed at the pre-construction stage.

For example, builders are now required to have their house designs assessed for energy efficiency; there are regulatory requirements for health and safety (site safety plans), a training levy and a portable long service leave levy. The Home Warranty Scheme premium also needs to be paid from within the deposit.

Rising insurance costs has also led to significant increases in other upfront costs such as certification costs. Good practice also demands that careful, detailed project documentation be properly resourced from the very beginning of the project.

This is in addition to local government searches, building approval lodgement fees, contract documentation, insurances, wages, commissions and overhead costs.

While some of these costs can be covered in some situations by a preliminary agreement, that is not always appropriate or sufficient.

⁵ Schedule 1B

⁶ Section 64(1)

Master Builders has documented the indicative up-front costs for a \$400k project as being in excess of 10 per cent on the contract total.

The impact the 5 per cent deposit cap is having on construction businesses is significant and is felt more keenly by small business. The challenges to the cashflow and the resulting financial stress are the most common themes. Cash flow problems can also lead to project delays, impacting when material and sub-contracting orders can be placed. It exposes businesses to greater risk which may have knock effects for security of payment and adds financial costs to running the business.

“It means that the business is now carrying the build, in essence we have become the bank.” [Small scale residential builder]

If businesses are pushed to cutting corners on any of the early expenses, it may have ramifications for the quality of the product. It can also diminish the capacity to do more extensive pre works such as administrative and WHS works etc.”

“It’s frustrating to rush to a slab stage to get to break-even point.” [Brisbane builder]

A recent review into the Queensland Home Warranty Scheme recommended that premiums payable under the scheme should be “decoupled from deposits contractors collect from consumers and the further analysis should occur into whether the deposit percentages domestic building contracts remain contemporary and review of contractors’ upfront costs”.⁷ Not requiring the premium to be paid from within the regulated deposit amount will have the effect of increasing the amount of the deposit available to cover other essential upfront costs.

The majority of states and territories have regulations governing the maximum deposit and they vary significantly. A summary is provided in the table below.

⁷ Report to the Ministerial Construction Council: Subcommittee on Queensland Home Warranty Scheme Review, April 2024.

LEGISLATION		DEPOSIT REQUIREMENTS
Queensland	Queensland Building and Construction Commission Act 1991	Maximum 5 per cent if contract price is \$20,000 or more for domestic building work (Schedule 1B s. 33).
New South Wales	Home Building Act 1989	Maximum 10 per cent of contract price for residential building work (s. 8).
Victoria	Domestic Building Contracts Act 1995	Maximum 5 per cent if total contract price is \$20,000 or more for domestic building work (s.11).
Western Australia	Home Building Contracts Act 1991	Maximum 6.5 per cent in total contract price is between \$7500 and \$500,000 for home building work (s. 10).
South Australia	Building Work Contractors Act 1995 Building Work Contractors Regulations 2011	Maximum 5 per cent if contract price is \$20,000 or more for domestic building work (r. 17).
Tasmania	Residential Building Work Contracts and Dispute Resolution Act 2016	Maximum 5 per cent if contract price is \$50,000 or more for residential building work (s. 41). Maximum 20 per cent of the contract price, where the value of the work to be performed offsite is more than 50 per cent of the contract price (s. 41).
Northern Territory	Building Act 1993 Building Regulations 1993	Maximum 5 per cent of contracted price for prescribed building works (r. 41H).
Australian Capital Territory		No limit.

Further information:

- [*Master Builders Hot Topic Survey: 5% Deposit, December 2019*](#)
- [*Master Builders - Increasing deposit allowed in a domestic building contract: pre-commencement costs*](#)

Recommendation

2. Increase the deposit allowed under domestic building projects to 10 per cent, supporting contractors' ability to properly fund the necessary up-front construction work and to manage cash flow.

2. Approvals

Planning codes

Delays and blockages in planning approvals hamper the deliver of new housing by adding time and cost. A consistent set of rules for new housing approvals across Queensland would help clear a barrier for new housing supply.

Australian Productivity Commission recommended that:

“governments need to make the planning and approvals process for housing quicker, and easier to navigate. There is scope to improve the end-to-end process through improving coordination across approvals bodies and introducing mechanisms to deal with extended delays, and ensuring that regulators, particularly local governments, are adequately resourced.”⁸

The National Planning Reform Blueprint includes a number of measures intended to improve planning, zoning and land release systems across the country. All States and territories have signed up to the Blueprint. Blueprint Measure 5 is to streamline planning approval pathways and Measure 7 is to identify and rectify gaps in housing design guidance and building certification.⁹

Standardising the basic siting and design requirements for key development types provides an opportunity to respond these Blueprint reform measures.

“Obtaining a DA can take a month and cost \$3,000.” [small scale residential builder]

Queensland Housing Code

Starting with detached housing, there is an opportunity in the development and adoption of a Queensland Housing Code to standardise the basic siting and design requirements for detached houses. The Code would be in place of the out of date Queensland Development Code (QDC) Parts MP 1.1 and 1.2.¹⁰

The Housing Code will provide a consistent set of rules for the building envelope only to the extent of applying:

- maximum building height
- front, rear and side setback minimums

⁸ [Australian Productivity Commission, Housing construction productivity: Can we fix it?](#) February 2025, page 43

⁹ [National Planning Reform Blueprint | Treasury.gov.au](#)

¹⁰ [Queensland Development Code | Business Queensland](#)

- acceptable solution for built to boundary walls (where permitted under the local planning scheme)
- maximum site cover
- minimum areas of private open space
- allowable encroachments.

Local governments would continue to manage the size of lots and character and amenity concerns such as heritage, sensitive environment areas and density requirements through their planning schemes.

Once in place the Housing Code will set a consistent, best practice standard, allowing more housing developments to access the Code Assessable path and with it significant cost and time efficiencies. Houses to be built within this agreed envelope could avoid the expensive and time consuming process of securing a planning approval.

As a minimum set of requirements, it should be mandatory across the State.

Master Builders believes that, if done well, it is an opportunity to improve the supply and affordability of new housing by providing consistency, efficiency and clarity in planning approvals.

Gentle Density Codes

There is also a further opportunity to extend the opportunity to secondary dwellings and small unit blocks.

Work has been undertaken towards this end by the Queensland government under the 'Distinctly Queensland' program to support more housing and more housing choice in our urban areas and specifically achieve:

- simplified assessment processes to provide time and cost savings
- clarity and certainty in the requirements to encourage investment in different housing products
- improved design outcomes that align with community expectations and demonstrate good design can be cost effective and a feature of any new development.
- easy to understand and user-friendly.¹¹

This work should continue as a priority.

Further information:

- [Joint letter regarding draft Secondary Dwelling State Code](#)

¹¹ [Distinctly Queensland Design Series | Planning](#)

- [National Planning Reform Blueprint, Summary of Progress](#)

Recommendation

3. Develop and implement mandatory planning codes, including a Queensland Housing Code, to standardise basic siting and design requirements for detached houses, secondary dwellings, and small attached dwellings.

Building regulation

Ambitious targets have been put in place by government to improve the accessibility and environmental sustainability of buildings. The resilience of our buildings to extreme weather events is also an issue that governments are looking to address.

To date, efforts to achieve these goals have focused on additional layers of regulation for new construction in the National Construction Code (NCC). This has served to shift the role of the NCC away from setting minimum requirements for design and construction of buildings to driving market best practice. This has taken attention away from the basics of ensuring that the NCC provides strong, clear rule book with safety, quality and the process of building at its centre.

The Australian Productivity Commission's report into housing productivity found:

*"The National Construction Code (NCC) – whilst a positive development that remains sound in principle – has grown to more than 2,000 pages. Some aspects of the code and the way it is implemented impose unnecessarily high costs on building construction. Indeed, some updates to the NCC have been implemented notwithstanding regulatory assessments estimating that they impose net costs on society."*¹²

The Commission's report subsequently recommended an independent review of building regulations that should consider NCC objectives, the regularity of updates and options to improve consistency in implementation across jurisdictions. This recommendation has been something Master Builders has sought for years and is a welcome recommendation that should be progressed as soon as possible.

¹² [Australian Productivity Commission, Housing construction productivity: Can we fix it?](#) February 2025, page 5

Role of the NCC review

The pace, scale and style of change in the NCC is adding unnecessary complexity and not being well integrated with existing minimum standards.

The introduction of the energy efficiency provisions back in 2003 marked the beginning of a fragmented structure, further compounded by subsequent overlays related to condensation management and accessible housing.

A comprehensive review is now necessary to distil and integrate all provisions and eliminate unnecessary complexities for housing construction. The review should look to returning the NCC to its foundational concept: a construction manual organised sequentially to mirror the actual building process. This approach would enhance usability and coherence for practitioners.

The review should also look at how to reintegrate overlaying provisions (such as energy efficiency and livable housing) which pose practical challenges. These challenges include essential elements being overlooked during the design phase which are then difficult to incorporate during construction. The overlay approach has led to conflicts with existing deemed-to-satisfy provisions, often necessitating a performance solutions, a complex and time consuming process, to address a 'paper problem'. Integration would facilitate smoother implementation and compliance.

The review should also look to the policy foundation of the provisions, starting with the livable housing provisions which lack a robust policy foundation, with unclear identification of the intended beneficiaries resulting in a lack of certainty and extra costs for all consumers.

NCC 2022 – Livable Housing and Energy Efficiency

The changes covering livable housing and energy efficiency adopted in NCC 2022 are two areas where the costs to implement were not outweighed by the benefits.¹³ These requirements continue to act as a barrier in the efficient delivery of housing. They are adding cost, complexity and restricting consumer choice.

The challenges in the adoption of these provisions is reflected in the fragmented adoption across each of the States and territories. An initial commitment to national consistency disintegrated into a very fragmented approach as each State and territory sought to mitigate the implementation problems with the provisions.¹⁴

To address this problem, complying with the NCC 2022 energy efficiency and livable housing requirements should be made voluntary. This change can be achieved through amending the [Queensland Development Code](#).

¹³ [Australian Productivity Commission, Housing construction productivity: Can we fix it?](#) February 2025, page 51

¹⁴ [NCC 2022 state and territory adoption dates | ABCB](#)

Government also has an opportunity to address the most significant of the technical challenges brought on by the changes. Master Builders has identified [ten essential changes](#) which would address the most significant of these challenges.

By way of evidence Master Builders has commissioned a quantity surveyor's to document the actual costs involved in delivering the requirements.

Further information:

- [National Construction Code Decision Regulation Impact Statements](#)
 - *NCC 2022 Residential Energy Efficiency provisions*
 - *Proposal to include minimum accessibility standards*
- **Available June 2025.** [Mitchell Brandtman, Updated NCC 2022 costings](#)

Free access to regulated Australian Standards

Clear regulation that is freely available improves compliance and helps ensure the quality and efficiency in the buildings being delivered. A lack of access can result in confusion and misunderstandings. It can result in defective work with the added costs and time need to rectify.

Over 100 Australian Standards are referenced in the NCC and it is not possible to comply with the NCC without access to relevant Australian Standards. Yet, it is not possible to read Australian Standards without paying a subscription. The lowest cost option for referenced Standards is currently through a 'NCC Primary References Set' available at a cost of \$1,145.11 p.a. and available only to small businesses.¹⁵

The ABCB is responsible for the development of the NCC and is formed by Intergovernmental Agreement. Under the current agreement the States, territories and Commonwealth collectively invest \$8 million p.a. in Australia's construction code. Queensland's contribution is \$725,000.¹⁶

Increased funding would better place the ABCB to undertake its important role and create an opportunity to provide free access to Australian Standards referenced in the NCC.

Standards Australia reported in its latest Annual Review (2024) that it had operational costs of \$82 million per annum. In 2022 it reported that the building and construction sector made up 17 per cent of the work of Standards Australia.¹⁷ Therefore, the proportion of the operational costs for Standards Australia that can be subscribed to building and construction can be rounded to \$14

¹⁵ [NCC Primary References Set | Standards Australia Store](#)

¹⁶ [2020 ABCB IGA | ABCB](#)

¹⁷ [Standards Australia | Annual Review 2022](#)

million p.a.. An additional cost is the extensive, dedicated resources and expertise provided by industry to the development of Standards, at industry's own cost.

For Australia's 108,793 building construction businesses, the cost of accessing Standards would exceed \$125 million per annum (based on the 'NCC Primary References Set' at \$1,145.11 a year, excluding consideration of additional costs for those who do not meet the small business qualifier). This is more than the current total operational costs of Standards Australia.

A far more efficient option would be to provide the \$14 million Standards Australia needs for the building and construction industry, shared amongst all governments. For Queensland this would increase Queensland's \$725,480 contribution the ABCB to \$1,995,070 p.a..

Research for emerging issues

Constant change in our industry requires ongoing research into the appropriate regulatory oversight for the evolving uses in buildings and emerging construction methodologies. Regulation governing our industry needs to be underpinned by this research. The Australian Productivity Commission found that:

*"Governments should also consider the adequacy of public research and development funding for housing construction to improve productivity performance."*¹⁸

One such example where this is failing to occur is the potential impact that modern vehicles and electric vehicle (EV) fire events could have on the structural integrity of buildings. The current fire performance information is based on testing done for fires with a very different profile from the fires caused by modern vehicles (jet flames, highly combustible gas, surges of fire, reignition etc.).

Industry and stakeholders feel that there is insufficient information or legislative direction to inform safety in design requirements and to ensure buildings are constructed so that they are structurally adequate for the potential future level of risk.

While builders are able to meet the existing requirements in the NCC, there is less certainty as to whether buildings will continue to be 'fit for purpose' as the number of EV's in buildings grows. There is also a lack of certainty as to whether a building will remain 'fit for purpose' following a significant modern vehicle or EV fire event.

There needs to be a nationally consistent, standardised view as to what constitutes good practice in design and construction to address this risk. Research and fire testing is needed to update the fire risk data.

¹⁸ [Australian Productivity Commission, Housing construction productivity: Can we fix it?](#) February 2025, page 6

The report commissioned by the ABCB¹⁹ on the issue identified that further review in several areas relating to structural fire resistance, suppression, detection, egress and smoke management is recommended. Fire and Rescue NSW has subsequently released their position paper where they propose a comprehensive program of real fire tests to address the knowledge gaps.²⁰

Priority Actions

- ❖ Remove the mandate to comply with NCC 2022 energy efficiency and livable housing requirements through an amendment to the Queensland Development Code.
- ❖ Implement a moratorium on new NCC provisions that impede housing affordability. Use the time to undertake a review and refocus efforts on achieving a strong and practical NCC that has safety, quality and the process of building at its centre.

Recommendations

4. Action the 10 essential changes to NCC 2022 to end the worst of the cost hikes and technical problems.
5. Provide free access to Australian Standards referenced in the NCC.
6. Invest in the development of building regulation to properly address emerging construction challenges, supported by research, starting with electric vehicles in buildings.

Building and planning relationship

The Local Government Association of Queensland, Planning Institute of Australia and Master Builders Queensland have jointly identified a need for an independent review into the relationship between Queensland's planning and building frameworks.

The relationship between Queensland's *Planning Act 2016* and *Building Act 1975* is insufficiently integrated, resulting in regulatory overlap, confusion, and in some cases, direct conflict. This friction is impeding timely development outcomes across residential, commercial, and public infrastructure sectors. These systemic issues erode investor confidence, delay housing delivery, and inhibit strategic alignment with broader policy objectives, including sustainability, accessibility, and housing diversity.

¹⁹ [ARUP, Fire safety in carparks Literature review, February 2024](#)

²⁰ Fire and Rescue NSW, Electric vehicles (EV) and EV charging equipment in the built environment: Fire Safety Position Paper, March 2025

The specific areas of concern include:

- Lack of statutory clarity: There is no definitive delineation between the matters regulated under the *Planning Act 2016* and the *Building Act 1975*, which has resulted in duplication and, in some cases, conflicting requirements. This can create legal and practical impossibilities for proponents and assessment managers seeking to comply with both regimes.
- Inconsistent terminology and definitions: Critical terms such as "building work" are defined differently across the two frameworks, creating interpretive uncertainty. The absence of a conflict resolution hierarchy between the Acts further exacerbates this issue.
- Unclear approval pathways: The same structure (e.g. a dual occupancy) may be subject to multiple approval regimes—sometimes simultaneously—depending on its classification under the *Planning Act 2016* and the *Building Act 1975*. This has led to delays, increased costs, and disputes.
- Assessment ambiguity: Confusion over who the responsible assessment manager is—whether it be local government or a private building certifier—has created process bottlenecks and undermined accountability.
- Regulatory gaps: Emerging housing typologies (e.g. duplexes vs dual occupancies, or temporary workforce accommodation) can fall between the definitions in the planning and building frameworks, leading to uncertainty and inconsistent decision-making.

These could be addressed by an independent review of the interface between the *Planning Act 2016* and *Building Act 1975*, with the objective of identifying and resolving points of friction, inconsistency, and regulatory duplication. The review should:

- Be led by a qualified and independent planning and legal expert, with stakeholder credibility.
- Deliver clear legislative and procedural recommendations to harmonise the two frameworks while preserving the integrity and intent of each.
- Include targeted consultation with local governments, planners, industry, and certifiers.
- Be completed within a defined timeframe (e.g. 3 months), with implementation milestones set for 2025 and 2026 to support the delivery of the housing targets and Olympic infrastructure.

Further information: [Joint request to review and streamline planning and building framework relationships.](#)

Recommendation

7. Conduct an independent review of the interface between the *Planning Act 2016* and *Building Act 1975*, with the objective of identifying and resolving points of friction, inconsistency, and regulatory duplication.

Utilities connections

Securing utility connections has become a particular point of friction in project delivery hampering the residential and commercial projects.

“There is no deadline on utility connections. They simply do whatever they want and take however long they want causing huge delays and headaches on every project getting out of the ground or handover connections.” [Brisbane renovation builder]

Electrical

Lead times for electrical plans can run into years and the infrastructure requirements for new connections are growing challenging the project viability.

There is a concern that developments are being increasingly called on to bridge the infrastructure gap, with additional requirements added to the scope such as an additional pad mount transformers being required.

Even when a project is fully scoped and underway there have been changes mid-project that incur increased costs and delays. This can take the form of last minute rescheduling of site visits and rescheduling on a weekend at an additional cost.

The Connections Manual and Australian Wiring Rules are being applied inconsistently. Different standards are being applied between Energy Queensland the electrical consultants as well as different standards between Energex and Ergon. This can lead to very costly and unplanned for expenses.

Currently there is no oversight of the process or opportunity for recourse which could be addressed by:

- Developers and builders should be made a ‘relevant customer’ under the *Energy and Water Ombudsman Act 2006*, enabling the Ombudsman to take industry complaints and use existing powers to direct resolutions.
- Establishing a new suite of developer and builder customer KPIs for oversight by Queensland Energy and Water Ombudsman to conduct a systemic issues investigation into delays (with reference to the Electrical Safety Office) and other obstacles to rapid housing delivery.

Energy Queensland EBA

The new Energy Queensland EBA affecting core works (transmission, generation and distribution work) has significantly expanded the scope as to what are ‘core works’. The EBA requires those same rates be applied to all staff employed by contractors, and now the sub-contractors, performing core work.

Of significant concern is that all contestable construction works (subdivisions, large customer connections, public lighting projects) will be specified as 'core works'. This will mean that for these works all accredited contractors must pay all their workers for all work undertaken in-line with Energy Queensland's current EBA. Effectively turning the electrical works on any contestable project into a union site.

This will see a 20-30 per cent increase in costs on all contestable projects and on the contestable portion of connection applications and relocation projects (generally limited to the trenching/conduit/civil works portion of these projects). This is likely to have a significant impact on development construction costs and viability of projects moving forward.

Builders will often undertake 'core works' such as pad and earthworks works. They may choose to withdraw from this work under the new conditions, adding to delays and driving up costs.

Also of concern is that they are effectively going to prevent sub-contractors from undertaking works within a project. Their expectation is that the accredited contractor needs to have all the skilled workforce within their company. This is not viable for small companies and given the range of different services and skills required for construction of an Energex/Ergon project. Currently many of them will sub-contract to specialist pipe layers, overhead line workers, machine operators, pit builders, retaining wall builders etc.

The agreement has been signed and came into effect 1 January 2025 in south east Queensland (Energex) and is scheduled to commenced 1 July for the remainder of the state (Ergon).

Water and sewer

"Urban Utilities are one of the most inefficient and expensive organisations to deal with. It doesn't matter what you want them to do; it will take 4 times longer to get an approval and cost 4 times more than a normal contractor would charge.

It doesn't matter how many times you email and request an update on when they will be on site to undertake work, they will rarely respond and will just turn up when they feel like it. I have had so many run ins with them over the last ten years I do my best to take on projects where I don't have to involve them.

At the moment I am still waiting for the relocation of a water meter that was paid for and approved close to 9 months ago." [Renovation builder]

"A simple carport building approval has taken over 3 months to get approved by our certifier. Most of this time has been waiting for Urban Utilities to approve the build near sewer which is under the driveway and not even the under the structure." [Brisbane renovation builder]

Further information: [Letter to the Premier - Energy QLD Procurement Policies and Enterprise Bargaining Agreement \(Sept 24\)](#)

Recommendation

8. Rework the process for utilities connections to ensure timely and reliable connections, that do not add undue cost or time to new housing developments.

3. Inputs

Workforce

One of the major drains on productivity is the statewide, structural skills shortage. It is challenging project timelines and driving up costs.

Analysis by Master Builders Australia shows for every new qualified tradie, an extra 2.4 homes can be built.²¹

Construction Skills Queensland (CSQ) Industry Outlook for 2024/25 describes the labour supply challenges of Queensland's construction industry as having:

- A tight labour market with an unemployment rate of 1.9 per cent in the construction industry (May 2024), indicating very limited spare capacity.
- Falling apprentice commencement rates (dropping 21 per cent in 2023) indicating a reduced training pipeline.
- Low female involvement remaining a challenge.²²

It is the role of BuildSkills Australia, Jobs Queensland and Construction Skills Queensland to work collaboratively, and in consultation with industry, to ensure an agreed building and construction industry workforce plan.

To clear this productivity block we need a plan to address the total labour supply. We must do more to attract and retain people to our industry. Collaborative solutions involving industry and government are critical to building a stronger future.

Apprentices

We must ensure a strong pipeline of apprentices are entering and remaining in our sector. We need to start in schools, encouraging young people to see the opportunities that a career in construction provides.

"While the current incentives are great, the work is often more difficult than they are used to. These young adults can get a job at Kmart where the work is easier, conditions are better (indoors and air-conditioned etc). We need more incentives for young people to join the construction industry." [Large scale trade contractor on the Gold Coast]

²¹ Derived from the average output for all construction trades workers as provided by the ABS. Over five years to May 2024, a total of 928,600 new homes were started across Australia. Over the same period, there were an average of 389,200 construction trades workers. This equates to 2.39 new homes per trades worker on average over the five years.

²² Construction Skills Queensland Industry Outlook 2024-25, pp8-9

While acknowledging the assistance that is already in place, to incentivise businesses to take on more apprentices government as part of a wider apprentice commencement and retention strategy should:

- Increase apprentice wage subsidies to incentivise commencements and offset high supervisory costs in the first year. A 50 per cent rebate on first year apprentice wages would assist businesses to make the decision to take on an apprentice.
- Provide financial incentives for apprentices on completion of their first year (when apprentices are most likely to drop out), and on completion of the full apprenticeship.

Women in Construction

We need to reach beyond traditional sources of workers and break down perceived bias by welcoming more women into our industry.

Continuing to fund programs for women in construction can encourage women to enter the building and construction industry by improving awareness of pathways, occupations and careers; supporting new female entrants into the industry; providing training and support to female-led businesses; and addressing unacceptable behaviour through education and a bullying and harassment hotline.

Migration

Despite the chronic trade shortages, the number of temporary visa holders in the sector remains low with less than 10,000 construction trade workers here on sponsored visas. Visas are currently difficult to secure, costly (\$10,000 to sponsor someone with a visa) and come with long processing times.²³

New Zealand is a case study in successful construction workforce growth. In just seven years the total workforce grew more than 50 per cent, the migration share doubled, which means that the number of migrants working in the construction sector tripled. That's an extra 20,000 workers. If you put that in the Australian context, that's about 100,000 extra workers in the Australian context. New Zealand's approach included removing labour market testing for certain occupations and streamlining migration policies.²⁴

This can be addressed with a construction industry specific visa pathway that makes it quick, easy and cost-effective for migrants with the trade skills Australia needs to get here and get out on the tools, working in a role for which they are appropriately qualified.

This includes:

²³ Reported by Master Builders members

²⁴ [Case study: Construction industry and migration, Dr Aaron Schiff May 2022](#)

- Ensure all trade and trade-related occupations are included in the Core Skills pathway of the Skills in Demand visa.
- Improve the process and reduce the need for skills assessments for migrants coming from countries with comparable qualification and training frameworks. The skills recognition process is cumbersome, costly, slow and in some cases completely unnecessary. We need to provide bridging opportunities so that their skills can be recognised and any gaps in their knowledge filled.
- Ensure the skills recognition process that remains is quick, simple and cost effective. BuildSkills Australia should work with industry and government to develop a pilot for a gap training course for carpenters and bricklayers who have qualification from comparable jurisdictions and seeking to work in Australia.
- Streamline national licensing frameworks insofar as possible to enable workforce movement and allow for nationally accredited gap training for all licensed trades.

Further information:

- [Master Builders Australia report “The Future of the Workforce: Skilled Migrants in Building and Construction” July 2024](#)
- [Case study: Construction industry and migration, Dr Aaron Schiff May 2022](#)

Recommendations

9. Develop an apprentice commencement and retention strategy.
10. Provide financial incentives for apprentices on completion of their first year (when apprentices are most likely to drop out), and on completion of the full apprenticeship.
11. Increase apprentice wage subsidies to incentivise commencements and offset high supervisory costs in the first year.
12. Continue to support programs that seek to attract and retain women to the construction industry such as Master Builders Australia’s Women in Building program.
13. Support federal migration initiatives to supplement local workforce with permanent skilled workers.

Building products

The challenges in being able to determine the safe and compliant use of building products is a long running barrier to productivity. The extent and nature of the problem was the focus of a

Senate inquiry back in 2016²⁵ and little has changed since that time. High profile examples such as combustible cladding and Infinity cable continue to challenge the industry, but equally concerning is the daily friction in not being able to determine easily and with certainty whether there is evidence to confirm the appropriate use of a particular building product.

The need for improved building product safety was also one of the recommendations that came from the Building Confidence Report (BCR) commissioned by Building Ministers to assess options for improving the effectiveness of compliance and enforcement system for the building and construction industry.²⁶

The ABCB produced a series of model guidance in response to the recommendations. As part of this work, CIE was commissioned to assess the cost benefit of implementing the response. The report concluded that consistent adoption of the model guidance has the potential to reduce building defects saving consumers approximately \$1.4 billion annually and offer industry time savings worth approximately \$375 million annually.²⁷

"The largest organisations are continually having to comply with new or updated Federal & State legislation. That is fine for the largest companies but a lot of compliance for the requirements is being pushed down to sub-contractors / trade contractors who cannot afford nor have the resources to comply. Classic examples are modern slavery and embodied carbon because they deal with supply chains and chain of custody". [Brisbane trade contractor]

Product assurance

The model guidance which responded specifically to the need for improved building product safety was the National Building Products Assurance Framework (the Framework).²⁸

The Framework prepared with the aim to help ensure that building products are used in a way that complies with the NCC. It targets the current failings identified by the BCR in the building product control system (building product demand, supply and control) through five elements. The Framework is intended to work in concert with the other BCR recommendations addressing building product demand.

The first element under the Framework called for a strengthening the NCC evidence of suitability requirements.

²⁵ [Non-conforming building products – Parliament of Australia](#)

²⁶ Shergold, P. & Weir, B., [Building Confidence](#), February 2018

²⁷ CIE, [Building Confidence Report: A case for intervention](#), July 2021, page 7

²⁸ ABCB, [Building product safety - National Building Product Assurance Framework](#), 2021

“The current NCC evidence of suitability provisions are not specific to the rigour required for different levels of risk. This makes it difficult for building practitioners to know when the evidence provided is appropriate for any given product type and its application. The NCC evidence of suitability provisions should be amended to be more specific as to the minimum information necessary to verify evidence of suitability based on the particular building product and its application.”²⁹

To assist in the implementation of this recommendation, the National Building Products Coalition used its collective expertise and to prepare a Proposal for Change to the NCC detailing how the provisions could be amended to:

- set a minimum and standardised format for compliance information regardless of the compliance pathway chosen, and
- increase the rigour of the evidence required to demonstrate compliance, and instruct which pathway is appropriate in which circumstance.³⁰

Product traceability

Another element of the National Building Products Assurance Framework was to address product traceability and identification.

“Building product traceability and identification is needed to determine that specified products are the ones delivered to site and that their origins are traceable if problems arise. A national, industry-wide traceability framework will bring greater certainty to compliance by ensuring the appropriate information is available where it is needed in the building delivery process. Building product identification will also help address the problem of counterfeit products and substitution.”³¹

Digital product traceability provides the mechanism for transparently linking the physical product with associated product information. This allows manufacturers and suppliers to communicate verifiable information on a product’s performance and compliant applications, which is then accessible at key touchpoints along the construction supply chain (e.g. design, specification, installation, certification, occupancy). With the growing need for product information, on some major projects, entire teams of people are needed to keep track of the paper trail. Digital traceability would eliminate much of that effort and provide greater certainty in the product information being relied on.

²⁹ ABCB, [Building product safety - National Building Product Assurance Framework](#), 2021, page 1

³⁰ [Evidence of Suitability | Building Products Co](#)

³¹ ABCB, [Building product safety - National Building Product Assurance Framework](#), 2021, page 2

Greater clarity in the information needed for product acceptance will facilitate better use of new and innovative products and provide the necessary evidence in support of appropriate product substitution during construction. Traceability will enable better building product identification and help reduce the incidence of counterfeit products. In this respect, it will meet the need to know that the product specified or ordered is the one delivered to site.

The National Building Products Coalition has prepared an implementation guide for adopting traceability and digitalisation of product information in the construction industry.

Further information: [Traceability and Digitalisation of Building Product Information Guide](#) by the National Building Products Coalition

Recommendations

14. Adopt the National Building Products Coalition's Proposal for Change for evidence of suitability in the NCC to improve building product assurance.
15. Provide leadership on the shared building blocks of product traceability to facilitate the development of digital traceability systems across the construction supply chain.

4. Construction

Compulsory Continuing Professional Development (CCPD)

CCPD program is important for industry productivity. The construction industry evolves rapidly with changing regulation and new materials and methods. CPD ensures professionals stay up to date with the latest best practices, standards, and innovations.

Construction is also high-risk and CCPD helps industry to stay to date about new requirements, health and safety laws, procedures, and risk management strategies—improving compliance and site safety.

CCPD can help build a skilled, knowledgeable staff deliver higher-quality work, innovate more readily, and adapt faster to market demands. It can support career progression, leading to qualifications, certifications, and specialisations that open up new roles and responsibilities.

CCPD should form part of the security of payment regime. Improving training for contractors to better understand their rights and responsibilities with respect to payment and the protections available to them can be a key tool in managing the risk of non-payment.

CCPD also supports innovation and helps in meeting the growing sustainability requirements. As the industry shifts toward greener, more sustainable practices, CCPD helps professionals learn about sustainable design practices and the requirements for eco-friendly materials. CCPD can also improve consumer confidence, providing an opportunity to demonstrate a commitment to continual learning and high standards.

National efforts

The Building Confidence review commissioned by the nation's Building Ministers, resulted in 24 recommendations to improve compliance and enforcement systems for the building and construction industry.

Recommendation 3 was “that each jurisdiction requires all practitioners undertake compulsory Continuing Professional development on the National Construction Code”. The reasoning behind this was that building practitioners operate in a dynamic environment and this would provide a mechanism to ensure currency of competencies. It was also seen as a mechanism to help address non-compliance.³²

³² [Building Ministers Forum Expert Assessment - Building Confidence Report](#)

The report was followed by model guidance prepared by the ABCB for the implementation of the recommendation and included principles for the adoption of a nationally consistency CCPD program by states and territories.³³

Queensland efforts

It has been the Queensland government's long standing goal to adopt a CCPD scheme to support the Queensland industry³⁴. The QBCC reports that CCPD expects to benefit licensees and the industry by:

- improving workers' skills within the building and construction industry
- maintaining and improving competence in business, trade, professional and safety skills
- keeping up-to-date on emerging issues and methodologies
- delivering a high standard of building work and reducing building defects
- improving the reputation of the industry and its workers.

There was a report to the Ministerial Construction Council prepared by the Council's CCPD Subcommittee that recommended "that CPD should be compulsory to ensure a consistent foundation of skills and professional development for all individual licensed by the QBCC".³⁵

This was followed by a QBCC trial of the CCPD framework by delivering a free voluntary CCPD pilot program from June 2021 to November 2021. They report that during this pilot project, QBCC licensees attended online courses and completed related assessments on topics covering Minimum Financial Requirements, Annual Financial Reporting and Safety Obligations.

Over 160 industry participants took part in the CCPD pilot project, with attendees from all over Queensland, including regional communities, as well as participants from interstate. The demand was high, with initial training course registrations filling up within 22 minutes of release.³⁶

Despite this being supported by industry and government and the clear need, there has been no tangible progress towards a CCPD scheme for the Queensland construction industry.

Further information:

- [*Final Report to the Ministerial Construction Council: Compulsory Continuing Professional Development*](#)
- [*Recommendation 3: Continuing professional development on the NCC and ethics | ABCB*](#)

³³ [BCR-rec3-Continuing-professional-development-on-the-NCC-and-ethics](#)

³⁴ [Pilot program puts tradie safety first - Ministerial Media Statements](#)

³⁵ [Final Report to the Ministerial Construction Council: Compulsory Continuing Professional Development p 3](#)

³⁶ [Recommendation 3: Continuing professional development on the NCC and ethics | ABCB](#)

Regulatory oversight

Queensland Building and Construction Commission (QBCC)

The QBCC needs to operate as a best practice, balanced and robust regulator. Currently, it does not resolve issues in a timely and fair manner. Many of its regulatory decisions are misaligned with its governing legislation. It has a long history of failing to hold licensed subcontractors to account when they carry out defective work.

The impact is an unwarranted burden on industry, both in direct dealings with the regulator, and in undermining community confidence.

The building industry regulator needs to be transformed to a more transparent and risk-based regulator that is focused on its core regulatory functions supported by industry-experienced staff. This can be achieved through a series of reforms covering:

- immediate operational change,
- longer-term regulatory reform, and
- structural reform.

Further information:

- *Master Builders submission to government on [QBCC Governance Reform](#)*

Workplace Health & Safety

Health and safety need to be a central focus on every Queensland construction site, and a positive safety culture must be promoted on all worksites. This is best achieved by proactively managing safety issues and solving safety problems.

Safer and more productive workplaces can be achieved without adding to the existing level of complexity and compliance. A commonsense, practical approach is needed. The focus must be on the quality, rather than the quantity, of legislation and regulation.

A large amount of workplace health and safety legislation was rushed through by government in the closing months of the parliamentary term. Much of this regulation was ill considered in that it duplicates existing requirements, does not add to positive safety outcomes, and is tying up construction sites in more red tape.

Duplicate reporting of workplace safety incidents to both Workplace Health and Safety Queensland (WHS) and the QBCC is another example of unnecessary regulation. Incidents should be reported once to the safety regulator.

Where regulatory provisions do not improve worker safety and add red tape they must be repealed.

Further information: [Letter to Hon Jarrod Bleijie MP - Proposed Amendments to Queensland's Work Health and Safety Laws](#)

Priority Action

- ❖ Transform the QBCC, the building industry regulator, through immediate operational change and longer-term strategic and structural reform to become a more dynamic, transparent and risk-based regulator that is focused on its core regulatory functions.

Recommendations

16. Upskill the industry through introduction of a CCPD program for all QBCC contractor licensees that is targeted and practical.
17. Review Queensland's workplace health and safety laws to remove provisions that do not improve worker safety or create unnecessary duplication. Ensure Queensland's workplace health and safety laws reflect, to the greatest extent possible, the National Model Workplace Health and Safety Law.

Security of payment

Queensland needs a security of payment framework is effective, fair and does not come with an unnecessary regulatory burden for all parties involved. One that efficiently helps ensure contractors and subcontractors receive timely payment for work properly completed.

Queensland's security of payment protections are already extensive and cover the Construction Industry Payment Principles (the right to claim progress payments and an efficient adjudication process) as distilled from the recommendations of the Murray Review into security of payment.³⁷

There are opportunities within this system to broaden the reach and improve the effectiveness of these existing mechanisms. These should be explored and acted on as a priority.

The system of project trust accounts is in addition to these measures and simply do not work – they don't protect payments in insolvency. They are a complex, costly and unnecessary regulatory overlay to the numerous other security of payment protections for subcontractors.

EY has undertaken a review of the performance and efficacy of Queensland's Project Trust Account regime. The analysis involved a range of consultations with businesses and stakeholder with practical experience in with the regime. It concluded that the project trust account regime

³⁷ [Government Response to the Review of Security of Payment Laws](#), March 2025, page 12

has not improved security payment security for subcontractors but it has come with considerable compliance costs on the industry. It was found to play a role in raising fiscal discipline in the industry.

Further information:

- **Available June 2025** - [*EY report on the performance and efficacy of Queensland's Project Trust Account regime*](#)
- [*Deloitte, Analysis of security of payment reform for the building and construction industry, November 2016*](#)
- [*Queensland's Security of Payment Framework*](#)

Priority Action

- ❖ Remove project trust accounts from the security of payment system.

Recommendation

18. Improve access to the existing security of payment protections for all contractors.

5. Innovation

While we need to find ways to support innovation to improve safety, productivity and building quality the Australian Productivity Commission found that:

“...the frequent ‘shifting of the goal posts’ on regulatory settings deters investment in innovation because of the fear that new approaches will be quickly out-of-step with new requirements. Industry participants have noted that frequent updates to the NCC can create a reluctance to try new materials or processes for fear that future updates will make any benefits short-lived.”³⁸

This is a further reason for the ‘priority action’ that was identified earlier (under Building Regulation) to “implement a moratorium on new NCC provisions that impeded housing affordability”.

Modern Methods of Construction (MMC)

MMC is one pathway to address our productivity challenges in encompassing a systems-thinking approach and digitalisation, along with greater use of prefabricated buildings and building components manufactured offsite.

Prefabricated building components, such as wall systems, and floor and roof cassettes, can greatly improve the industry’s productivity by reducing construction timeframes, improving labour productivity and reducing waste. While increasing locally manufactured building components made from sustainable materials can support progress towards more resilient supply chains and the net-zero targets.

The Queensland government has already taken the first steps in the [QBuild Modern Methods of Construction](#) program and in establishing the Rapid Accommodation and Apprentice Centres in Brisbane and Cairns.

Government has also committed to [Infrastructure Productivity and Workforce Roadmap](#) where it identified that “investing in research and development and commercialisation opportunities will be important for supporting the local production of new, innovative and sustainable construction materials and practices for a future resilient Queensland.”³⁹ The [Action Plan](#) that followed called out that what industry needs to “grow and develop further is a strong pipeline of work that creates investor confidence”.⁴⁰ Master Builders own members confirm this outlook.

³⁸ Housing Productivity, page 5

³⁹ [Infrastructure Productivity and Workforce Roadmap](#), July 2024, p14

⁴⁰ [Infrastructure Productivity and Workforce: Action Plan](#), July 2024, p 4

The government can look to support the growth of MMC by facilitating the implementation of the Action Plan, by specifically:

- driving at least 50 per cent of projects in the Queensland Government's infrastructure pipeline to incorporate elements of modular construction or other forms of MMC, by 2030;
- developing a strategic approach to increase the adoption of MMC across government by establishing set of actions that brings together agency work programs and government priorities to help develop local manufacturing in innovative construction methods.

Funding for demonstration projects and training centres to practically explore emerging issues and the adoption of innovative construction methods and products.

We also need to find ways to support innovation to improve safety, productivity, and building quality, including greater levels of off-site construction and modularisation.

Change also requires ongoing research into the appropriate regulatory oversight for the evolving uses in buildings and emerging construction methodologies. The emergence of these methods would be best served by a harmonised regulatory approach across the nation.

Recommendations

19. Funding for demonstration projects and training centres to practically explore emerging issues and the adoption of innovative construction methods and products.
20. Support confidence in MMC investment by supporting a medium to long-term pipeline of demand.