



AUSTRALIAN
GLASS & WINDOW
ASSOCIATION

Queensland Productivity Commission

**Opportunities to Improve Productivity
of the Construction Industry**

Interim Report Response

August 2025

Introduction

The Australian Glass and Window Association (AGWA), the peak body for the Australian glass and window industry, welcomes the opportunity to provide a response to the Queensland Productivity Commission's *Opportunities to Improve Productivity of the construction Industry* Interim report.

AGWA is committed to improving standards and workmanship across all facets of the glass, glazing and windows industry. It provides accreditation services to over 1,200 companies to ensure the best quality products and services come from accredited AGWA members. Its members are a broad amalgamation of glass and window manufacturers, fabricators, glass processors, glaziers, merchants, suppliers, educators, regulators, and professional stakeholders and bodies, focused on ensuring a professional and sustainable industry.

We appreciate the Commission's analysis and the invitation for further stakeholder input before the final report.

Opening Comments

AGWA observes that the Interim Report sets out a reform agenda spanning four major areas: reforming procurement, improving land use regulation, enhancing the regulation of building activity, and advancing labour market operations. For the purposes of this response, the focus is placed on the latter two areas.

The current framework in the building sector is fundamentally sound and already incorporates best practice. The focus should be on improving enforcement, technical competency, and regulatory clarity, rather than wholesale changes that risk safety, quality, and local relevance.

There is a perception that regulations are overly burdensome. Some stakeholders have noted difficulties including confusing navigation of rules, instances of duplication, excessive prescription, and inconsistent or inadequate enforcement (p.8). Rather than focusing on reducing the quantity of regulation, greater attention should be given to enhancing the effectiveness and enforcement of the regulations that are already in place. Queensland, notably, possesses the most robust - or, in some respects, the only - chain of responsibility legislation in the country. However, this legislative framework is infrequently utilised. A more consistent and proactive application of existing enforcement mechanisms can strengthen outcomes across the construction industry, ensuring that regulations achieve their intended purpose.

Stakeholders have raised concerns about inconsistencies between planning and building codes, leading to an escalation of regulations at the local government level, sometimes with unclear benefits (p.9). To this point we believe that addressing and aligning discrepancies at the local, state, and national level remains crucial.

While some see the pace of regulatory change outstripping the construction sector's capacity to adapt (p.17), others have driven investment in compliance, including the glass and window industry which nationally invested more than \$170 million in new capital through understanding the NCC consultation.

It is important to note long-term considerations for regulatory frameworks. Given that buildings often have lifespans exceeding 50 years, it is essential that regulatory frameworks are established with long-term average costs in mind. Put simply, the operational economics dwarf the incremental capital costs. In this context, it is vital to recognise that the effectiveness of any regulatory framework is not solely determined by its initial formulation, but by its capacity to

evolve alongside industry developments, economic shifts, and technological progress while upholding community safety and confidence in the built environment. As the industry responds to increasing consumer demands for sustainability and innovation, regulations must carefully balance the need for adaptability with the importance of certainty and ongoing resilience.

There is a growing need for regulatory settings to be both responsive to technological change and supportive of industry capability. To maintain compliance and competitiveness, regulation should offer clarity and consistency while enabling simpler pathways to achieve established standards. Importantly, regulatory reform must not be confused with lowering standards. Simplifying the process to meet high standards is a positive step; reducing the standards themselves is not. Where certain sectors struggle to meet these standards, the appropriate response is targeted support—not deregulation. By proactively addressing these dynamics, reforms can resolve inefficiencies and better prepare the industry for future challenges, aligning regulatory approaches with both industry requirements and societal expectations.

The report notes that the core rationale for building codes and standards are that, if effectively enforced they: set a baseline of safety and quality that consumers can expect; and mitigate the risk of building failures and potential hazards that could lead to harm or economic loss (p.28). However, in recent years some argue that the scope of building codes and standards have extended beyond traditional safety and quality requirements, now incorporating expectations for energy efficiency and accessibility.

It is important to acknowledge that energy efficiency and accessibility, and building resilience more broadly, are not separate from safety and quality; rather, they are fundamental elements supporting a safer and higher quality built environment. In a world where climate variability is increasing, energy efficiency does equal safety. Furthermore, it must be noted that the NCC allows for regional localisation via climate zones.

Although some argue that Queensland should consider opting out of future regulatory amendments - including changes to the NCC - unless there is clear evidence of overall benefit, this stance seems contrary to the recognised positive outcomes associated with national harmonisation.

A challenge not effectively addressed in the interim report is the absence of sufficient enforcement or prosecution. Equally, it is only when regulatory actions are tested legally that deficiencies in the rules become apparent, often due to oversimplification, which diminishes their effectiveness in governing what is frequently the largest investment in a consumer's life.

Regulatory Complexity and Reform

AGWA understands the Commission's focus on reducing regulatory complexity and suggests that harmonisation - particularly across jurisdictions and processes – will account for the majority of potential improvements achievable through this reform effort. The interplay between the Queensland Development Code (QDC) and the National Construction Code (NCC) adds a significant layer of complexity to the construction industry which creates significant compliance burdens. We advocate for a national harmonised and streamlined regulatory framework that reduces duplication and enhances clarity, particularly at the state and local government level. As the report notes in relation to local council variations to the regulations, the QDC should consider the benefits and costs of variations from a state-wide perspective (rather than merely local benefits), including their impact on construction productivity and housing affordability. (p.143).

Recognising both the dynamic nature of the construction industry, as well as the increasing business maturity required to operate in it, AGWA emphasises the importance of embracing technological advancements, such as digital design tools and data-driven project management systems, to streamline processes and foster collaboration across the sector. Encouraging the adoption of emerging technologies can not only enhance project efficiency but also support transparent supply chains and deliver higher quality outcomes for stakeholders. Strengthening communication channels between regulatory bodies and industry participants, while promoting best practice standards, will be critical to building resilience and adaptability as the industry continues to evolve.

Given the interim report's emphasis on both the technical and organisational challenges as well as the high risks posed by ineffective regulation (p.7), it is critical that any proposed changes be made with careful consideration.

Support for NCC

Support for the NCC is crucial as regulation in the construction sector plays an essential role in ensuring the safety of workers and the public, protecting consumers from substandard products or services, and minimising adverse environmental impacts (p.28). We support the consistent national implementation of the NCC, which underpins safety, quality, and innovation. While the most recent changes to energy efficiency and accessibility standards have raised concerns among some, these elements are integral to a modern, high-performing built environment. AGWA notes that the last time energy efficiency provisions were updated was ten years ago. This is not an extreme or unsustainable rate of change.

The Australian Productivity Commission highlights the importance of the National Construction Code (NCC), especially when it is implemented uniformly across all Australian states and territories. National harmonisation plays a pivotal role in enabling the construction industry to operate on a larger scale, promoting greater efficiency, and facilitating the seamless movement of building practices and materials across Australia (PC 2025a). By aligning codes and standards nationwide, it reduces unnecessary complexity and duplication, making compliance simpler for industry participants. This approach helps foster consistency, drive productivity, and support the adoption of best practices throughout the sector. A national, performance-based building and plumbing code has brought about significant economic gains, estimated at \$1.1 billion annually. These gains are attributed to consistent standards, increased productivity, enhanced flexibility, and the promotion of innovative construction materials and methods (CIE 2012, p.183).

Nevertheless, to fully realise the benefits of national harmonisation, there must be broad agreement regarding the NCC's purpose, a clear process for future code updates, and a strong commitment to its consistent adoption and enforcement (p.29). AGWA acknowledges the vital importance of sustained collaboration between industry stakeholders and government bodies, as evidenced in the review and development of Australian Standards which underpin the NCC. This ensures regulatory frameworks remain effective and adaptable.

AGWA acknowledges public comments regarding implementing a five-year cycle for the NCC and suggests that this approach may increase the volume of updates and reviews required, exacerbating the peaks and troughs of good regulatory practise. AGWA notes that a recent review involved 1,100 proposals for change, many of which were not satisfactorily addressed. This situation highlights the importance of having a consistent review process that ensures regulations are evaluated transparently and effectively.

By maintaining open channels of communication and consistently reviewing standards in light of changing market conditions and stakeholder feedback, Queensland can strengthen its leadership in construction productivity. This strategy not only fosters continued trust within the industry, but also simplifies compliance processes and encourages the adoption of best practices, delivering benefits throughout the construction supply chain.

Occupational Licensing and Workforce Development

Occupational licensing and accreditation requirements are intended to ensure that work is completed safely, and with appropriate care and skill. It allows consumers and others to assess competency and help ensure that workers have the necessary skills and are accountable for the work they do. (p.33) Indeed, given the existing productivity drag caused by litigation, by simply buttressing existing competency requirements there would be measurable productivity gains that could be easily measured. Further, persistent challenges such as construction defects and the necessity for rework continue to hinder sector productivity (p.18), reinforcing the critical role of effective licensing and enforcement mechanisms. Licensing criteria are often highly technical and complex because the job they are doing is complex and technical in nature, further emphasising the sizable technical and organisational intricacies of the construction industry.

As the glass and window industry exposes both workers and building occupants to a highly dangerous product if not selected and installed correctly, AGWA supports occupational licensing as it underpins accountability, and it underpins knowledge. We also encourage reforms to improve labour mobility, including participation in automatic mutual recognition of licenses. Given the continuing growth of southeast Queensland and northern New South Wales, supporting trades to operate in both jurisdictions makes perfect sense.

Investment in apprenticeships and training, particularly in regional areas, is essential to address skills shortages and support industry growth. To further bolster industry resilience and adaptability, AGWA recommends prioritising initiatives such as micro-credentialling that facilitate knowledge transfer, lifelong learning, and cross-sector collaboration. Instead of reducing standards, lift competency. AGWA also notes that when it comes to training apprentices, the level of stringency required for tertiary training trainers (mandatory Certificate IV) has created undue barriers that prevent skilled tradespeople from effectively passing on their skills to the next generation. By addressing this, Queensland can build a pipeline of skilled professionals equipped for emerging demands.

Modern Methods of Construction (MMC)

We endorse the Commission's recommendation to remove regulatory barriers to MMC, noting that MMC needs to be standardised at the national level and not adjudicated or adapted at the state level. Ensuring regulatory neutrality and updating planning schemes to accommodate MMC will foster innovation and improve productivity. Government should focus on enabling frameworks rather than direct intervention. AGWA also supports policies that recognise the issues of cash flow and maintaining throughput for MMC businesses.

By streamlining regulatory approval processes and investing in digital infrastructure, Queensland can capitalise on new construction technologies while maintaining robust oversight and consumer protections. Such forward-thinking reforms will not only help meet the demands of a growing population but also reinforce Queensland's reputation as an industry leader, paving the way for greater investment, sustainable growth, and enduring prosperity throughout the construction sector.

Workplace Health and Safety (WHS)

AGWA supports a review of WHS compliance and enforcement to ensure proportionality and effectiveness. A harmonised incident reporting framework and improved engagement between regulators and industry stakeholders will enhance outcomes without imposing undue costs.

Recognising the importance of workplace health and safety, AGWA encourages a balanced approach that upholds rigorous safety standards while minimising unnecessary regulatory burden. Enhancing collaboration between industry participants, government bodies, and safety regulators will help foster a culture of proactive risk management and continuous improvement. By advancing targeted WHS initiatives, embracing digital solutions for compliance tracking, and promoting transparent communication, Queensland's construction sector can both safeguard its workforce and support efficient project delivery.

Insurance Thresholds

AGWA notes the Queensland Government has previously announced it would undertake a review of both licensing and insurance thresholds as part of its Building Reg Reno staged package of reforms (Department of Housing and Public Works 2025a). It is important that these reviews are undertaken separately so that they are not conflated and seen as complementary so as to avoid unintended regulatory consequences.

Given the risk of conflating contract and insurance thresholds with licensing thresholds, a careful, separate review of both should ensure they reflect current industry conditions and do not impose unnecessary burdens.

QBCC Effectiveness

AGWA notes that the QBCC has one of the best regulatory toolkits in the country, however it is not using it effectively, with gaps in enforcement a major challenge. AGWA therefore supports the interim report recommendations for the QBCC to be more transparent, consistent and effective in its enforcement of licensing and technical standards; have a greater focus on genuine instances of non-compliance and unlicensed operators, rather than minor issues; and increase its presence and inspection activity in regional areas. (p.33) Better enforcement of existing regulations rather than introducing new ones should be the goal, noting that while some perceive regulation as excessive, much of it is actually designed to be simple and accessible. AGWA also recommends improved collaboration with industry, particularly around areas of specialist expertise, through investigation and enforcement operations.

REQUEST FOR INFORMATION

IMPACTS ARISING FROM NCC 2022

Changes to the NCC are agreed upon through a process involving public consultation, review by expert committees and assessment of costs and benefits. Only those changes that have a demonstrated net benefit to the community are supposed to be adopted. The Commission would like to understand if stakeholders agree that this is a reasonable process, and if not, what changes should be made.

On face value, the statement appears reasonable and easily justifiable, particularly when the Terms of Reference are well understood and not open to manipulation over time. Determining 'net benefit to community' is open to interpretation and often does not account for intergenerational equity and overlooked externalities. Equally, government consultation often

increases the internal rate of return assumption such that short cycle payback projects are differentially favoured making trust in the above statement difficult to contextualise.

Focusing solely on the 'net benefit to the community' in housing policy and regulatory reviews risks overlooking broader societal and systemic impacts that extend beyond straightforward financial returns. While direct economic benefits to individuals - such as affordability or return on investment - are important, they do not capture the full spectrum of value that housing policies can generate. For instance, improved housing stability can lead to better health outcomes, educational attainment, and community cohesion, none of which are easily quantified in financial terms but are critical to long-term societal wellbeing.

STOCK REVIEW OF BUILDING REGULATIONS AND STANDARDS

To finalise any recommendation for a review of the stock of building regulations and standards, including how they are administered, the Commission would like to understand if there are particular areas a review should focus on, and how the review should be conducted.

The review should focus wherever possible on minimising the variations between jurisdictions so that national harmonisation is achieved. Just as the QPC identified the cost of local regulatory variation on construction productivity, so too does state regulatory variation from the national Construction code impact on the cost of housing.

QBCC PERFORMANCE

The QBCC currently reports quarterly against a range of measures including processing times for renewals, licence applications and defects, movement to online forms and proportion of QBCC decisions set aside by the Queensland Civil and Administrative Tribunal. It also reports annually under the Queensland Government's Regulator Performance Framework.

The Commission would like to understand if the metrics the QBCC reports against appropriately measure its performance, and if not, what other metrics would help to make performance outcomes more transparent.

Are there other options for incentivising improved performance that the Commission should consider?

The QBCC should be reporting on the number of chains of responsibility investigations, as well as the number, nature, and type of subsequent enforcement actions. Similarly, the QBCC should also be reporting on the number of trade licensing compliance investigations, as well as the number, nature, and type of subsequent enforcement actions. This could include consideration of a public register for improvement orders and enforceable undertakings to boost transparency.

In line with good work, health, and safety reporting, tracking the nature and type of minor issues can be an effective predictor of the health of the system, and an indicator of the likelihood of more severe issues.

THRESHOLD FOR INSURABLE WORKS

The Commission is seeking further information on the threshold for insurable works under the Queensland Home Warranty Scheme, including:

- *the potential benefits and risks of increasing the threshold (including the impact on insurance claims and dispute resolution provisions)*
- *whether the threshold should be indexed annually and, if so, the appropriate methodology for indexing.*

Given the cross-border nature of trade works in south Queensland and northern NSW, we recommend harmonisation with NSW with regards insurance thresholds. We similarly support indexing, provided it remains in line with other states.

DEPOSIT CAPS

The Commission is interested in feedback on the current deposit caps for domestic building contracts in Queensland, including:

- *potential implications of raising the deposit cap for higher value contracts including any impact on pre-construction costs, cash flow, and project timelines for small businesses.*
- *whether the premium for the Queensland Home Warranty Scheme should be paid separately from the deposit. What would be the advantages and disadvantages of this approach for builders and consumers?*

While we fully understand the role and form of deposit caps, as an industry that undertakes a high degree of manufacture off-site, deposit caps are regulatory tool that are not well understood, applied, and enforced. The window sector is not dissimilar from the burgeoning prefabrication sector in that manufacturers will carry significant cost and risk that the current caps do not effectively address. This is especially the case as many products are bespoke and made to order and are not easily re-sold.

We recommend further consultation on the deposit caps issue, particularly as it relates to the Queensland Home Warranty Scheme. Often, we have members who both fabricate and install the product, and separating the deposit requirement would likely drive perverse business decisions and outcomes. Recognising that not all contracts are equally weighted, AGWA suggests investigating differential deposit caps for offsite and onsite work, noting the need to pre-order materials up-front ahead of staggered progress payments to cover the incremental costs. For example, a supply and install contract for a house lot of windows may have more than \$100k in up-front materials with the on-site installation costs less than half that.

MODERN METHODS OF CONSTRUCTION

Despite claims that MMC has the potential to reduce the costs and timeframes of construction, stakeholders have suggested that uptake in the industry has been limited compared to overseas jurisdictions. However, other than regulatory barriers, the Commission was unable to identify any market failures that would justify government intervention. The Commission is seeking any further insights or examples from stakeholders about barriers to MMC that have resulted from market or regulatory failures, including any:

- *identified barriers that prevent widespread uptake of MMC*
- *complications encountered by MMC builds complying with the NCC, planning schemes or other regulations*
- *barriers to the adoption of MMC in government procurement processes.*

As a starting point, there needs to be a clear understanding of whether an MMC manufacturer falls under the definition of a builder, or whether a "licensing for manufacturing" is required. Additionally, there needs to be equity with the NCC in terms of the outcomes as societal, and therefore regulatory, expectations should be consistent.

Also refer commentary above about national consistency of approach, including regulatory alignment and stringency of performance measures with on-site construction.

WORKPLACE HEALTH AND SAFETY

Data suggests that WHS outcomes for the construction industry have not improved over the last decade, despite significant policy effort and increased compliance costs on industry. The Commission is seeking further evidence from stakeholders to support or refute this.

In addition, the Commission is seeking information on:

- *whether options in the reform direction are workable, and whether they introduce any significant health and safety risks*
- *any alternative or additional reforms that should be considered to more effectively and efficiently manage WHS risks and resolve other issues raised*
- *case studies or examples where innovative or adaptable practices have been used successfully to manage WHS risks.*

There is a lack of robust data and discontinuity of reporting. As an Association that collaborates with its members very closely on matters relating to health and safety outcomes, it is concerning to see the absence of a comprehensive understanding and ownership for workplace

health and safety outcomes across the construction industry. While no one should step away from leadership and good practice in this space, the emergence of ongoing regulatory ratcheting without a full consideration of the efficacy of existing requirements demands further consideration in how to deliver effective results. AGWA invites further discussion.

TRAINING AND APPRENTICESHIPS

The Commission is seeking stakeholder views and evidence on:

- the underlying drivers, incidence, and scale of issues in the training and apprenticeship system as they affect the construction industry
- further case studies where strategies to improve training and apprenticeship outcomes have been effective
- the design of an appropriate process to drive reform
 - the Commission is aware of the newly instituted Strategic Dialogue Series of the Department of Trade, Employment and Training and is seeking feedback on whether this model alone will deliver the identified objectives or what other activities would be needed to support reform
- any other issues or considerations that should be identified in the recommendation.

Refer above to Occupational Licensing and Workforce Development section, noting investment in apprenticeships and training, particularly in regional areas, is essential to address skills shortages and support industry growth. To further bolster industry resilience and adaptability, AGWA recommends prioritising initiatives such as micro-credentialling that facilitate knowledge transfer, lifelong learning, and cross-sector collaboration.

PRIORITISING OCCUPATIONAL LICENSING REVIEWS

To best prioritise these reviews, the Commission is seeking stakeholder views on what specific construction-related occupational licensing requirements are most likely to impose the greatest net costs on the community and how a program of stock reviews could best be coordinated across relevant agencies.

Refer above to Occupational Licensing and Workforce Development section, as well as noting that licensing for high-risk trades such as glazing (which is supported by hospital admissions data) should be prioritised for retention and enhancement, given the significant safety implications of poor workmanship - particularly in installations like shower screens and windows, which can lead to serious injuries or long-term structural damage.

In our view, licensing requirements for trades involved in high-risk installations—such as glazing—should be prioritised for retention and enhancement, not reduction. Glazing work, including shower screen and window installations, carries significant safety risks if performed incorrectly. Poor workmanship can lead to serious injuries from glass breakage or long-term building degradation due to water ingress and compromised waterproofing membranes.

Licensing is not merely a regulatory hurdle - it is a cornerstone of consumer protection, workplace safety, and industry professionalism. We urge the Commission to prioritise reviews that preserve and enhance licensing in high-risk trades like glazing, and to coordinate reforms in a way that supports both productivity and public interest.

OPPORTUNITIES TO BETTER USE SKILLED OVERSEAS MIGRATION

To ascertain the opportunity for leveraging skilled overseas migration to address gaps in the construction labour force that cannot be filled domestically, the Commission is seeking stakeholder views and evidence on:

- the need and opportunities for the Queensland Government to nominate more subclass 190 or 491 visas for construction tradespeople
- the opportunities to reduce duplicative skills assessments, or to recognise equivalent overseas qualifications, and if these opportunities exist, what the benefits, costs, and risks are
- other specific opportunities to increase the use of skilled overseas migration to meet Queensland's construction skills needs.

Duplication and unnecessary assessments need to be minimised. The overseas migration process needs to respect Australian based skills attainment, as well as recognise the impact of

differential construction practices and building typologies on worker suitability, qualifications needs, and efficacy. For example, building to European standards in north Queensland will likely lead to mould and overheating.

Conclusion

AGWA notes the interim report's directions and themes and looks forward to engaging further with the Queensland Productivity Commission on the points we have made above. Ultimately, thoughtful alignment between regulation, industry needs, and workforce capability will secure the growth, competitiveness, and sustainability of the construction sector well into the future.