

28 August 2025

Queensland Productivity Commission  
PO Box 12078  
George Street QLD 4003  
c/- [enquiry@qpc.qld.gov.au](mailto:enquiry@qpc.qld.gov.au)

Dear Commissioners,

### **CONSTRUCTION PRODUCTIVITY INTERIM REPORT SUBMISSION FROM STANDARDS AUSTRALIA**

Standards Australia (SA) welcomes the opportunity to respond to the Queensland Productivity Commission's Interim Report on *opportunities to improve productivity in the construction industry*. We commend the Commission's focus on driving productivity, reducing regulatory complexity, and enhancing the sector's competitiveness. As Australia's national standards body, SA plays a critical role in supporting these objectives by developing robust, fit-for-purpose standards that promote consistency, safety, and efficiency across the building and construction sector.

This submission provides comments on reform recommendations relating to standards and standardisation. It outlines the current programs of work underway, as well as how Standards Australia—through our standards development process and strong partnerships with industry, government, and the community—can deliver practical solutions to the challenges facing the sector.

Standards Australia stands ready to work with the Queensland Government to ensure the Commission's recommendations on standardisation translate into tangible outcomes that strengthen the construction industry and its productivity performance.

#### **Executive Summary**

Standards Australia supports the Queensland Government's efforts to drive productivity, strengthen resilience, and ensure the long-term sustainability on the building and construction sector in Queensland. Standards are a foundational element of Australia's technical infrastructure and a proven enabler of economic performance, regulatory efficiency, and global competitiveness.

To support the Queensland's reform objectives, and in response to the Interim Report, SA would make the following comments:

- The wider adoption of standardised contracts can assist in streamlining procurement processes, minimising ambiguity, and reducing legal and administrative overheads, particularly for small business;
- Harmonising regulatory frameworks across jurisdictions reduces duplication and compliance costs by embedding standards systematically in regulatory, procurement, and capability-building frameworks;
- A review of building regulation and standards is wholeheartedly supported by SA, and should consider the broader productivity agenda being proposed at a national level;
- SA supports the Queensland Government's focus on encouraging national consistency in regulatory approaches to Modern Methods of Construction to allow manufacturers to achieve scale, with work currently underway by SA to support this objective; and
- Improving access, awareness and comprehension of regulated standards, particularly for small businesses and trades can improve labour productivity and reduce the instances of defects.

## Background

Standards Australia is Australia's peak national standards body, formally recognised under a Memorandum of Understanding (MoU) with the Commonwealth of Australia. As an independent, non-government organisation, we collaborate with government, industry and consumers to develop and adopt fit-for-purpose technical standards that aim to ensure products and services are safe, efficient, and benefit the Australian community.

We represent Australia at the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), we are also specialists in the development and adoption of internationally-aligned standards in Australia.

Our governance model and procedures reflect best-practice regulatory principles, including recommendations from successive Productivity Commission reviews. Our standards also serve as tools to achieve technical and regulatory harmonisation across jurisdictions in Australia.

As per the MoU with the Commonwealth, Standards Australia develops standards of net benefit to the Australian community through a process of consensus. To achieve this, we:

- Establish a balanced representation of interests on our technical committees;
- Ensure public consultation on all standards under development; and
- Develop standards in line with Australia's obligations under the WTO Technical Barriers to Trade (TBT) Agreement.

This approach ensures that Australian standards are robust, trusted, and responsive to emerging challenges. By fostering collaboration across government, industry, and the community, Standards Australia provides a platform through which practical solutions can be developed to address issues such as construction productivity, regulatory consistency, and the adoption of modern methods of construction. In doing so, we contribute to a stronger economy, safer built environments, and better outcomes for consumers.

## REFORM RECOMMENDATIONS

### Reform Direction 4 – Improving Tendering and Contracting

The use of standardised contracts has a direct role in improving efficiency, reducing disputes, and enhancing productivity in the construction sector.

Standardised contracts minimise ambiguity, provide consistency across projects, and reduce legal and administrative overheads, particularly for complex projects. They can also help reduce delays and disputes, thereby supporting higher productivity outcomes.

The latest edition of AS 4000 *General Conditions of Contract*, published in June 2025, along with AS 4300 *Design and Construct*, AS 2124 *General Conditions of Contract – Works* and AS 4902 *Design and Construct*, provide balanced, well-tested frameworks that can significantly streamline procurement processes.

As an example, the ASDEFCON suite used in the defence sector demonstrates how standard contracts can be successfully applied in complex, high-value procurement environments. While no system is without challenges, such exemplars show the value of adopting well-developed, standardised contract templates across government procurement processes.

As part of our commitment to continual improvement, Standards Australia has already commenced consultation on the next reiteration of AS4000, noting feedback from stakeholders that a more

detailed, tailored approach is sometimes required in complex contract negotiations and projects. Drawing on feedback raised in the Interim Report, SA will work with its Technical Committee and interested stakeholders to enhance the next reiteration of the standard. SA would welcome feedback from the QPC on how the standard could be further improved to support its adoption in full, without the need for jurisdiction-specific amendments. This would reduce duplication, avoid lengthy redrafting and negotiation processes, and ensure the standard delivers maximum benefit across projects and sectors.

## **Preliminary Recommendations 11 & 12 – Building Codes and the NCC Reform Direction 7 – Stock Review of Building Regulations and Standards**

The Commission has raised the impacts of the NCC 2022 energy efficiency and accessibility provisions, including whether Queensland should diverge from these changes where a net community benefit cannot be demonstrated. It has also suggested a targeted review of building regulations and standards.

Standards Australia supports, in principle, reviews of regulatory frameworks where the objective is to harmonise and streamline processes, reduce duplication, and ensure standards are applied in ways that lift productivity across jurisdictions. Given the significant national focus on productivity reform—including the Australian Government’s Economic Roundtable and the Productivity Commission’s National Competition Policy Analysis—any such review should be closely aligned with current national initiatives to maximise consistency.

To support the realisation of the benefits of harmonisation, Standards Australia is undertaking an end-to-end review of its standards development process, informed by feedback from technical experts, industry associations, and government stakeholders. We would welcome the opportunity to contribute to any Queensland-led review and share insights from this work.

### *Addressing Defects*

The Interim Report highlights the significant costs associated with building defects, rework, and variations in the construction industry. Defects not only impact safety and consumer confidence, but they are a major drain on productivity – fixing errors or doing things twice means lost time and money that do not contribute to new output. We agree with the Commission that reducing defects is key to improving overall productivity. In addressing this issue, we advocate for a focus on better compliance with standards and better access to standards, rather than any dilution of the standards themselves.

Standards as the solution, not the problem: Stringent standards (e.g. in the NCC or Australian Standards) define the minimum acceptable practice to prevent failures. They are created to prevent defects and re-work, they are not the cause of them. If there are many defects in certain builds (leaky buildings, structural cracks, etc.), it is often because proper standards or practices were not followed – whether due to lack of awareness, cutting corners, or inadequate enforcement. The existence of a standard (for waterproofing, or concrete strength, or wiring, etc.) provides a clear benchmark for quality. The challenge is ensuring all practitioners *know* those requirements and have the capability to meet them. Thus, the strategy should be to improve clarity, education, and access around standards. In short, standards aren’t the cause of defects; they help prevent them by codifying lessons learned and technical expertise into requirements that everyone should meet.

One practical barrier we have identified is that many tradies, small builders, and even some certifiers do not have ready access to the latest standards that are referenced in legislation. To this end, Standards Australia together with Master Builders Australia (MBA), Housing Industry Association (HIA), Master Electricians Australia (MEA) and Master Plumbers Australia and New Zealand are collectively working together to identify a national standards access model for the construction sector

to eliminate the costs and barriers to accessing standards mandated by laws and together create enhanced compliance tools.

The group seeks to design a model that empowers innovation and education, improves compliance, empowers practitioners, reduces work and rework, and supports both today's workforce and the next generation of skilled workers.

### **Preliminary Recommendation 15 – Modern Methods of Construction (MMC)**

Standards Australia commends the Commission's attention to MMC. Prefabricated construction and MMC can help address speed to market and housing supply issues currently affecting communities across Australia.

The adoption of nationally consistent definitions, performance-based provisions, and appropriate certification requirements are all important steps towards reducing regulatory barriers. We strongly support regulatory neutrality in planning and building frameworks to ensure MMC is treated fairly, while also ensuring community expectations of safety, quality, and durability are met. To this end, in 2024, Standards Australia Technical Committee BD-111 commenced the development of a standard for volumetric prefabricated buildings (AS 5482 *Prefabricated and Modular Building Design and Construction*).

BD-111 has prioritised the development of terms and definitions (SA HB 268 Prefabricated Building: Glossary of terms) for prefabricated building to create consistency and commonality in language used in the standard and potential policy and regulatory environments across the country. Public consultation on the definitions expected in September 2025, and SA would encourage input and feedback from the Queensland Building and Construction Commission.

SA continues to work closely with the ABCB and its Technical Working Group on MMC definitions to ensure consistency across both organisations with regards to the terms.

In addition, SA also contends that broader roll out and uptake of MMC, when anchored in robust standards, deliver measurable outcomes, would reduce build times, improve quality assurance, and strengthen consumer confidence. Countries such as Canada, Germany and the UK have already demonstrated the benefits of such schemes.

In August 2025, Standards Australia consulted with its BD-111 Prefabricated Building Technical Committee, along with Chairs of other relevant committees, to consider what standards may be required to underpin a Voluntary National Certification Scheme, as part of the Australian Building Codes Board consultation.

Key feedback received from this consultation included:

- Any Scheme must align with existing NCC-referenced standards and performance requirements to avoid duplication and market confusion;
- National consistency is essential to support cross-border movement of MMC products and reduce regulatory barriers;
- Oversight mechanisms must account for the full lifecycle of MMC —manufacture, transportation, installation, and ongoing performance;
- Standards must address MMC-specific challenges, including:
  - Structural loads during transport, lifting, and assembly;
  - Site-specific conditions such as bushfire, wind, and climate zones;
  - Energy efficiency requirements and banned materials (e.g. PFAS);

- Remote and factory-based inspection protocols; and
- Repairability requirements, reflecting approaches adopted in the UK.

Both SA's analysis of international schemes and industry consultation highlighted clear gaps in the current standards framework. Addressing these will be critical to ensuring the effectiveness of deployment of MMC in Queensland. Priority areas for new or adapted standards in the Australian context include:

1. Transport and lifting loads for MMC modules and large panels.
2. Modular connection performance across diverse climates and hazard zones.
3. Integrated fire and structural performance guidance for hybrid material assemblies.
4. Digital "building passport" and traceability frameworks.
5. Factory-based plumbing and electrical inspection protocols.
6. Repairability requirements and documentation specific to MMC.

## Conclusion

Standards Australia recognises the Queensland Productivity Commission's Interim Report as an important step in addressing productivity challenges in the construction sector. Across areas such as contracting practices, building codes and regulations, defect reduction, and modern methods of construction, harmonised standards are central to improving efficiency, reducing disputes, supporting innovation, and delivering high-quality outcomes.

Through ongoing work on general conditions of contract, a comprehensive review of the standards development process, and the development of standards for prefabricated and modular construction, Standards Australia is actively contributing to reforms that align with both state and national productivity objectives. At the same time, collaborative initiatives with industry associations are aimed at improving access to standards, ensuring minimum requirements are understood, adopted, and enforced in ways that reduce rework and build community confidence.

Standards Australia stands ready to work closely with the Queensland Government, the Commission, and key stakeholders to ensure reforms are implemented in a way that strengthens consistency, supports innovation, and delivers long-term productivity gains for the construction industry and the broader economy

Should you have any queries about this submission, I would be happy to discuss and can be contacted on [REDACTED] or at [REDACTED]

Yours sincerely,

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**Kareen Riley-Takos**  
**Chief of Engagement, Standards Development**  
**& International Relations**