

28 August 2025

Ms Angela Moody  
Productivity Commissioner and Chair  
Queensland Productivity Commission

Submitted via submission portal and email: [enquiry@qpc.qld.gov.au](mailto:enquiry@qpc.qld.gov.au)

Dear Commissioner Moody

### RESPONSE TO INTERIM REPORT ON OPPORTUNITIES TO IMPROVE THE PRODUCTIVITY OF THE QUEENSLAND CONSTRUCTION INDUSTRY

The Australian Sustainable Built Environment Council (ASBEC) welcomes the opportunity to contribute to the Queensland Productivity Commission's (QPC) interim report on opportunities to improve construction sector productivity.

ASBEC is a collaborative forum of peak bodies in the Australian built environment, focused on sustainable, productive, and resilient buildings, communities, and cities. Our [membership](#) consists of industry associations, professional bodies, academia, non-government organisations and government observers who are involved in the planning, design, delivery, and operation of our built environment.

ASBEC has a longstanding focus on cities, infrastructure, and urban-scale policy to support a sustainable, liveable, and resilient built environment. We strongly believe that the built environment is key to ensuring communities are resilient to the health and wellbeing impacts of climate change.

ASBEC commends the Commission for highlighting the importance of land use reform, housing supply accountability, workforce capacity, and modern methods of construction (MMC) as key levers to improve productivity. These are consistent with ASBEC's earlier submissions to this Inquiry ([June 2025](#)) and to the National Productivity Commission's national housing construction productivity review ([December 2024](#)).

At the same time, we raise significant concerns with proposals that suggest Queensland opt out of key provisions of the National Construction Code (NCC) or duplicate regulatory impact processes at a state level, which risk undermining productivity and fragmenting national consistency.

As a number of our member organisations are also providing detailed responses to this interim report, this submission limits comments to the below.

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#### Support for Preliminary Recommendations 9 / 10 and 15

##### ❖ Recommendation 9 – Zoning Regulations and Land Supply

ASBEC strongly supports Preliminary Recommendation 9, recognising that easing restrictive zoning and increasing density in well-located areas is one of the most effective ways to boost housing supply and construction productivity. It also saves on embodied carbon in the form of new infrastructure; as per the [carbon reduction hierarchy](#), the best way to reduce carbon emissions is to avoid building a new asset in the



first place. ASBEC's recent report, [Our upfront opportunity: Australia's policy roadmap to reduce upfront embodied carbon in the built environment](#), notes that following the carbon reduction hierarchy principles can save both carbon and money through the use of avoidance.

Our [June 2025](#) submission to this Inquiry emphasised that restrictive zoning and fragmented planning approaches are a key barrier to efficient housing delivery in Queensland. Aligning zoning with transport hubs and activity centres, and embedding robust community consultation, will help deliver housing where it is most needed, while reducing infrastructure costs and car dependency.

We particularly endorse the Commission's call for open and transparent processes that balance community engagement with certainty of outcomes. This approach will ensure densification not only improves affordability, but also maximises broader social, environmental and productivity benefits, including reduced urban sprawl. Increased density in well-located areas not only supports affordability, but also reduces infrastructure costs, additional transport and embodied carbon emissions, and greater efficiency in delivering essential services.

#### ❖ Recommendation 10 – Zoning Regulations and Land Supply

ASBEC supports setting clear, measurable housing supply targets for local governments, alongside transparent reporting and accountability mechanisms.

Our [December 2024 submission](#) to the National Productivity Commission highlighted the importance of clear housing supply targets and transparent reporting as critical levers to improve confidence and consistency in housing markets. Requiring local governments to set, monitor and report on housing delivery outcomes will reduce delays, provide visibility on performance, and build a stronger evidence base for reform.

Targets linked to housing type, density, and delivery outcomes will provide greater certainty for industry, reduce delays, and build confidence in the market. Public reporting and performance monitoring will improve transparency, while financial incentives or penalties will encourage local governments to align outcomes with state-level productivity, housing affordability, and climate adaptation and emissions reduction goals.

#### ❖ Recommendation 15 – Modern Methods of Construction (MMC)

ASBEC strongly supports removing regulatory barriers to the adoption of MMC. Nationally consistent definitions, acceptance of manufacturer certification, and technology-neutral planning and consumer protection frameworks are critical enablers of innovation.

ASBEC welcomes the QPC's recognition of the vital role that Modern Methods of Construction (MMC) will play in addressing productivity, housing supply, and sustainability challenges.

In our [June 2025](#) submission, ASBEC stressed the need to remove unnecessary regulatory barriers and enable MMC adoption through nationally consistent standards, manufacturer certification, and performance-based regulation. We commend the Commission's recommendation for Queensland to adopt a nationally consistent definition of MMC, amend building legislation to accept manufacturer's certificates for NCC compliance, and ensure planning schemes and consumer protections are technology neutral.

ASBEC also strongly supports the call for Queensland to advocate through the Australian Building Codes Board (ABCB) and Standards Australia to ensure performance-based provisions are production-neutral and MMC-specific guidance is available where required. We note that the Australian Building Codes Board has already produced a guide to MMC, the [Prefabricated, modular and offsite construction handbook](#).

Unlocking the benefits of MMC—such as faster delivery, reduced costs, lower waste, and improved quality—will be critical to achieving Queensland’s housing, productivity and climate targets. Demonstration projects, workforce training, and cross-sector collaboration will further help scale MMC adoption while building industry and consumer confidence.

As a step in finalising the final report for this inquiry, we recommend QPC interrogates ASBEC member prefabAUS’ [Smart Building Industry Roadmap \(2023 – 2033\)](#) which identifies twelve key recommendations for growing Australia’s MMC sector.

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### **In-principle support of Reform Direction 7 – Stock Review of Building Regulations and Standards**

ASBEC agrees to Reform Direction 7’s proposal for a targeted review of building regulations and standards, and we note that this should be approached as a cohesive national productivity project, ensuring the opportunity to reduce state-level duplication.

Such a review must be swift, nationally coordinated, and future focused. Since the early 1990s, the adoption of a single national code has been a productivity reform designed to remove unnecessary duplication and provide clarity to industry. Any review should strengthen this national framework—not risk fragmentation through state-based opt-outs or delays.

The objective of the NCC, as part of the [Intergovernmental Agreement](#) signed onto by all jurisdictions including Queensland, is to, “*develop and maintain codes and standards that are the minimum necessary to achieve:*

1. *safety and health;*
2. *amenity and accessibility, and*
3. *sustainability”*

The NCC is a cornerstone of Australia’s strategy for emissions reduction, productivity and climate resilience. Improved standards cut household bills, reduce retrofit costs and improve community health outcomes, while providing certainty for households, businesses and investors. The NCC also provides an essential safety net for quality, accessibility and wellbeing, ensuring the buildings people live and work in meet evolving community needs.

#### **ASBEC recently joined with industry and consumer groups to call for:**

- Swift and uniform implementation of NCC 2025 across all jurisdictions.
- A clear national plan for ongoing NCC updates, aligned with emissions reduction commitments, climate resilience and community safety expectations.
- Adequate resourcing for the Australian Building Codes Board to maintain strong standards.
- Support for the building sector, trades and supply chains to meet new requirements at scale and least cost.
- Full and consistent implementation of NCC 2022 across all jurisdictions.

This will ensure that the NCC remains a mechanism for productivity, innovation and equity—delivering long-term value to industry, households, and the Queensland economy.

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### **Opposition to Preliminary Recommendations 11 and 12, and QPC view on procurement policies**

#### **❖ Recommendation 11 – Impacts Arising from NCC 2022**

ASBEC does not support Preliminary Recommendation 11. We strongly caution against any proposal for Queensland to “opt-out” of the NCC 2022 energy efficiency and accessibility provisions. The NCC provides

minimum standards required to establish safety, quality and sustainability as referenced in the [Intergovernmental Agreement](#). This is an agreement by all jurisdictions, bound by a clear “*rigorously tested rationale*” on meeting stringent regulatory change guidelines. These are, and continue to be, met. It is highly inefficient to retract something that has already been implemented in Queensland – resulting in more industry confusion and lowering productivity even further. Note that there are already provisions allowed for in NCC 2022 that provide exemptions for iconic Queensland housing typologies.

The energy performance requirements for homes introduced in NCC 2022 are leading to significant and ongoing energy bill savings for households, better health outcomes, better resilience to worsening extreme weather events and heatwaves, cuts to our emissions and less need for expensive energy generation and network augmentation. According to CSIRO research, [over 75% of new homes in NSW achieving NatHERS ratings since July 2024 are now rated above 7 stars](#), highlighting the positive impact of these new standards. The Australian Glass and Window Association (AGWA) [reports that implementing the NCC 2022 energy efficiency standards](#) has conservatively raised costs by an average of just \$4,300 per home. These [costs will be offset by homeowners saving at least \\$326 in energy bills per year](#), every year, and improved health outcomes thanks to the improved energy efficiency of their homes.

Our [June 2025](#) submission to this Inquiry highlighted that these provisions deliver long-term net benefits for households, businesses and the wider community. Improved thermal performance, accessibility and liveability standards reduce energy bills, cut emissions, enhance resilience, and extend the usability and value of homes over their lifetime. Opting out risks locking in higher costs for households and businesses, particularly for those least able to pay for retrofits in the future.

Moreover, evidence underpinning the NCC 2022 changes—developed through extensive consultation and regulatory impact analysis—demonstrates significant economic and social returns, particularly for low-income households, renters, the elderly and people with disabilities who are most vulnerable to inefficient, inaccessible housing. We are concerned that the QPC elevates other arbitrary cost analyses to the same level of rigor conducted by the formal ABCB Regulatory Impact Assessment process.

There is a growing need for regulatory settings that are both responsive to technological change and supportive of industry capability. National consistency, not state-based divergence, is essential for regulatory efficiency. Fragmenting the NCC by making critical provisions “voluntary” would impose greater costs on industry, increasing complexity and compliance burdens, and undermining productivity.

Crucially, regulatory reform should never be conflated with lowering standards. Simplifying compliance with high standards drives efficiency; reducing those standards undermines quality, safety and long-term value. Where sectors face challenges in meeting requirements, the appropriate response is targeted support, skills development and transitional measures – not deregulation. A forward-looking regulatory framework that upholds ambition while enabling practical delivery will resolve inefficiencies, support innovation and ensure the industry is prepared for future challenges.

#### ❖ Recommendation 12 – Future Regulatory Changes to Building Codes

ASBEC does not support duplicating national regulatory processes at a Queensland level and as such we do not support Preliminary Recommendation 12 in its current form. While we agree that regulatory changes should be evidence-based and deliver net benefits, the proposal risks delaying or weakening nationally coordinated code improvements that are already subject to substantial assessments of regulatory impact and opportunities for public review and comment on technical provisions – as identified in the [Intergovernmental Agreement](#).

The NCC already undergoes rigorous regulatory impact analysis, extensive consultation and national governance through the Australian Building Codes Board (ABCB). Requiring Queensland-specific reassessment of each reform risks duplication, delay and fragmentation—adding red tape, increasing costs, and undermining the very productivity improvements this Inquiry seeks to deliver.

Regulatory certainty and predictability are critical enablers of investment, innovation and workforce planning. Queensland should therefore strengthen its participation in national processes rather than establish parallel mechanisms. Working collaboratively through the ABCB to improve transparency, strengthen evidence bases and refine impact assessment methodologies will ensure that future reforms are efficient, credible and nationally consistent.

Productivity will not be improved by slowing or weakening code updates; instead, it will be advanced by aligning reforms with national objectives, providing industry with clear signals, and ensuring that high-quality standards are delivered in a way that is streamlined and practical.

❖ QPC comment on “Removing multiple objectives from procurement policies and focusing on value for money”

ASBEC strongly objects to the QPD stating that:

*“Selecting projects based on value for money is important for ensuring that taxpayer money is spent on infrastructure that delivers the greatest net benefits to the community. When projects are selected based on other metrics, this is likely to result in lower productivity and higher project costs — which must be funded either through higher taxes (now or in the future) or reduced spending in other areas..... While the Commission is seeking stakeholder views on current policy objectives, based on current stakeholder feedback, there appears limited justification for keeping other objectives in procurement policies.”*

The above rationale is a very limited view on procurement and does not take into account the factors that are needed to ensure the assets that the QLD builds are future-proofed. “Lowest cost” is not the only priority; co-benefits also need to be considered. The QLD government, by their participation in the Infrastructure and Transport Ministers’ Meeting (ITMM) has agreed to a [nationally consistent approach for valuing embodied carbon for use in transport infrastructure project decision making](#). ITMM has also agreed to a [nationally consistent approach for measuring embodied carbon for use in transport infrastructure projects](#). Therefore, QPC recommendations are contrary to existing commitments by the Queensland Government.

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ASBEC welcomes the QPC’s focus on reforms that can meaningfully improve productivity in Queensland’s construction industry.

As noted above we support Preliminary Recommendations 9, 10 and 15, which align with ASBEC’s long-standing advocacy for:

- streamlined, consistent land use and housing supply frameworks
- transparent accountability for housing delivery
- enabling innovation and MMC adoption through regulatory neutrality and national consistency


However, we urge the Commission to reconsider Preliminary Recommendations 11 and 12, which risk undermining national consistency, increasing costs, and eroding long-term benefits for Queensland households.

Finally, we acknowledge the value of Reform Direction 7 and recommend a nationally coordinated NCC review that strengthens clarity, consistency, and capacity for future reform.

Productivity in the construction sector is not a matter of deregulation, but of better regulation, smarter procurement, and strategic investment in skills and innovation. We welcome the opportunity to provide further detail on any points outlined above.

We remain committed to collaborating with the Queensland government and other stakeholders in further discussions and actions aimed at achieving a sustainable built environment and secure housing for all Australians. If you have any further queries, please do not hesitate to contact me via [REDACTED] or on [REDACTED].

Yours sincerely



Alison Scotland  
Chief Executive Officer