



Submission

Queensland Productivity Commission

Interim Report

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

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Who we are

The Australian Institute of Building Surveyors (AIBS) is recognised nationally and internationally as the peak professional body representing building surveying practitioners in Australia.

Our Mission

AIBS is committed to ensuring a safer Australia through continuous improvement and development of the profession of Building Surveying. The overarching objective of the Institute can best be summarised as follows:

To achieve the highest standard of professionalism through Professional Development, such as education pathways and training, and Advocacy in representing the profession and establishing standards.

Professional Standards

The Australian Institute of Building Surveyors (AIBS) Professional Standards Schemes for Building Surveyors operates across all states and territories and is a legislative instrument that obliges AIBS, to monitor, enforce and improve the professional standards of members under the Scheme, thereby reducing risk for consumers of professional services.

The AIBS Professional Standards Scheme upholds the professional standards of Scheme Members, who are building surveyors, and ensures that clients have access to appropriately qualified and skilled building surveyor practitioners for representation and advice.

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Preparation

This submission has been prepared in response to a public call for submissions on the interim report.

Overview

AIBS notes that the interim report contains several references to the submission made by AIBS in the preliminary stages of the Queensland Productivity Commission's investigation into opportunities to improve productivity of the construction sector in Queensland. We are grateful of the consideration of our views and input and trust that this further submission will similarly be helpful in the work being undertaken.

AIBS notes the main reform themes of the interim report. In many instances, AIBS is able to offer support for elements of the proposed approaches, however; not in all instances. AIBS notes also that there remain significant gaps in the interim report which, if addressed in the report going forward, would capitalise in this rare opportunity to understand how best to regulate construction activities in Queensland.

For example, the impact of building defects and their remediation on sector productivity appears not to have been featured in the interim report, a point AIBS believes is a glaring omission with potential to significantly change the recommendations the Commission may wish to make in subsequent reports.

Three of the four broad areas of reform identified in the interim report will very likely lower the standard of practitioner that is supported to participate in the sector. Should the proposed approaches to reform proceed into implementation, these will contribute to factors that will make it more likely that defective work is performed, thus further hampering productivity of the sector.

AIBS contends that it is likely that incremental benefits of each of the proposed reforms will be overrun by a quantum detraction from productivity via reallocation of resources to defect remediation which will occur at higher rates than is currently being experienced across the sector.

If the proposed investment in productivity improvement was to be reallocated toward augmenting existing compliance mechanisms, the lift in productivity from the resulting reduction in defective work would easily justify the proposed investment. AIBS estimates that there are gains to be made that could approach 1% of the current production of the sector – a gain approaching approximately \$2 billion per annum nationally.

AIBS urges the Queensland Productivity Commission to do what is necessary to properly understand this aspect of construction sector productivity in order that it can satisfy itself of the quantum of opportunity that is presented by tackling the rate of defective building work that is occurring in Queensland, and from this knowledge, to make a better informed set of recommendations on how to address the core issues it is charged with investigating.

The following section of this submission provides details supporting the points outlined above as well as AIBS's responses to the specific recommendations, areas for reform and information requestions contained in the interim report. We would be pleased to assist the Commission further with this inquiry should this be sought.

In Detail

The following section of this submission provides details supporting the points made in the overview and specific responses to the recommendations, areas for reform and information requests set out in the interim report.

The costs of defective construction in Queensland

In 2021, the Australian Building Codes Board (ABCB) commissioned the Centre for International Economics (CIE) to conduct a high-level assessment of implementing the recommendations raised by the Building Confidence report prepared by Professor Peter Shergold and Ms Bronwyn Weir in 2018 (BCR). Subsequently the CIE published the “Building Confidence Report – A case For Intervention” in July 2021. The ABCB had commissioned this report as part of work it had itself been commissioned to undertake by the Building Ministers regarding implementation by the States and Territories of reforms aimed at addressing the 24 recommendations contained in the BCR. The CIE report provided considerable detail regarding the extent to which defective building work was occurring and demonstrating the need to implement reforms that had been recommended some three years earlier. It put the cost per annum of building defects throughout Australia at around \$2.5 billion, and noted that these costs could be avoided with implementation of the recommendations contained in the BCR.

These costs were compared with estimates made by the CIE of the cost of implementation of the BCR beginning with \$121 million and with ongoing costs of around \$712 million deriving a cost saving to the Australian economy measured in multiples of billions of dollars per year. The CIE also provided a breakdown of the net benefit by jurisdiction and notably for Queensland, some \$891 million of avoided costs of defects could be realised per year. Additionally, benefits from time savings from a nationally consistent approach to regulation of the sector were indicated as \$495 million per year for Queensland giving a total benefit to Queensland of \$1.386 billion per year.

In terms of costs of implementation, the total costs for Queensland were reported as \$730 million, giving a net benefit for Queensland of \$656 million per year or a benefit to cost ratio of 1.9.

The productivity impacts of defective work in Queensland

For every hour spent undertaking remedial work, there is an hour that cannot be spent undertaking new work. As noted in the QPC Research Paper, *Housing Construction Productivity: Can we fix it?* (Housing Study), over the last 30 years, there has been a decline in productivity across the construction sector.

Around 30 years ago, several Queensland, like most Australian jurisdictions, embarked on a phase of reforms focused on deregulation combined with privatisation of statutory building surveying functions, and in 2008 inclusive of reform of local government resulting in amalgamations. These changes have generally reduced the capacity of regulators throughout Australia to be effectual in how they regulate the sector and Queensland is little different in that respect.

Nationally as in Queensland, the number and frequency of inspections of building work in progress has fallen, both where those inspections were traditionally carried out by local government but particularly so where a level of audit inspection had previously been conducted by the State or Territory acting in its capacity as a building regulator. The QBCC is one of the few entities nationally that has maintained its capacity to undertake audit inspections and is regularly doing so.

In this context, the value of a construction license or registration has diminished. Arguably, it is little more than a revenue generation centre for State and Territory governments because it is so rare for a practitioner who has not performed appropriately or has underperformed for a protracted period to be challenged with respect to their suitability to continue to participate in the sector. In

this sense, all that one needs to do to continue to practice in the sector is to pay the renewal fee and fill in the forms, with no concern about past performance impacting that process.

The effects of this multi-faceted erosion of capacity to effectively regulate the sector has taken time to aggregate. As regulatory capacity has reduced, the possibility of defective work being detected and addressed during construction has also diminished. Consequently, the rate of consumer complaint about building defects has steadily risen over the same period.

Over the last 30 years, it is postulated that the decline in sector productivity that has been observed is likely directly proportional to the increase in defective work that has gone undetected during construction. These building defects often impact the ability to use the building for its intended purpose, resulting in a need for remedial work to be undertaken to ensure the intended purpose of the building and so that the return on investment in establishing the building can be realised.

It is this relationship that is likely behind a substantive portion of the productivity loss that has been observed. AIBS is not able to confirm this relationship owing to the limitations of the data it has access to. It was not part of the commission that CIE responded to, and the Housing Study didn't consider this, so that there is not sufficient information available to AIBS to make reasonable judgement of this relationship.

Having said this, every hour worked in remediation is an hour that cannot be undertaken on new work so that the sector is less productive. It is therefore hard to deny the logic of the anecdotal link between the rate of building defect requiring remediation and the loss of productivity across the sector.

Solutions to productivity impacts of building defects

The current requirement for the undertaking of mandatory inspections of stages and aspects of work undertaken is not sufficient to be effectual at detecting and addressing defective work. The very nature of a mandatory inspection program results in a predictable presence of persons who can cause work to be remediated during the construction process. Consequently, it is rare for work that is visible at these times to be significantly at variance from requirements. It is the work that is not subject to mandatory inspection that is more likely to be defective.

This point is born out in the rates of defect observed within the CIE report. Table 1 prepared by AIBS compares the mandatory stage and aspect inspections with the classification of defects that were quoted in the CIE report.

For types of work where the rate of defects has been observed in the CIE report as highest, mandatory inspections are not required. It is not reasonable to assume that the regime of mandatory inspection requirements has been incorrectly established so that areas of low need are inspected ahead of areas of high need. It is far more likely that the absence of inspection results in a lower standard of work being performed.

It would also be wrong to assume that this means that the areas where high levels of defect are observed should also be subject to mandatory inspection. AIBS contends that instead, building surveyors should be encouraged by the regulatory system to undertake inspections of any stage of work they choose within a broadened scope of mandatory notification of completion of elements of work. In this way, a level of inspection can be mandated within which a building surveyor can exercise professional judgement about what is inspected for any individual project.

Type of defect	Share of rectification costs % (Class 1 and 2 buildings)	Mandatory inspection required (Y/N)	Share of all defects (%) (Class 3 to 9 buildings)	Mandatory inspection required (Y/N)
Waterproofing / weatherproofing	28	N*	8	N
Roof and rainwater disposal	16	N*	15.8	N
Structural	15	N*	7.9	N
Plumbing and drainage	14	N*	10.5	N
Flammable cladding	12	N	10.5	N
Other	3	N	7.9	N
Natural light & ventilation	3	N*	5.3	N
Swimming pools, gyms, playgrounds	3	N	N/A	N
Building fabric and cladding	2	N	7.9	N
Electrical, lighting and data	1	N	5.3	N
Safety	1	N	N/A	N
Lift / elevator, gas supply, garbage chute	1	N	N/A	N
Fire protection	1	N*	10.5	N
Entry / exit from building	0	N	N/A	N

Table 1: Comparison of Queensland building defects reported by CIE against mandatory inspection requirements in Queensland

Notes to Table 1:

N* denotes that an inspection is not necessarily mandatory but an aspect certificate must be provided by the relevant trades. The guidance document provided by the Queensland government available here:

https://www.housing.qld.gov.au/_data/assets/pdf_file/0016/34234/inspection-guideline-class-1and10-29March2023.pdf does not make clear the extent of inspection that must be performed by the building surveyor.

The potential for an inspection to occur at any stage of the work would focus the minds of those undertaking the work around getting it right first time. This is particularly so where the rate of defect detected by building surveyors is reported to a central portal which in turn links to the licensing and registration environment so that defective work will have real consequences for renewal of a license or registration.

In this way, it stands to reason that without increasing the number of inspections currently undertaken, a lift in productivity can be realised thorough a reduction in defective work that is allowed to progress to a defective building that requires remediation post occupation. The more often defective work is detected and directed to be remediated in the context of an ongoing right to participate in the sector, the fewer defects will occur.

The reality of the way in which inspections are undertaken in Queensland will however obstruct this idealised approach. The Queensland government provides guidance on the conduct of inspections and the reliance on Competent Persons to undertake inspections on behalf of the building surveyor for aspects and stages of work that must be inspected. The guidance is insufficiently clear about which of the aspects and stages of work must be inspected by the certifier for the work and the extent to which this is not required.

Consequently, most inspections of stages and aspects are not undertaken by the statutory building surveyor engaged for this work. Instead, the building surveyor relies on certificates of inspection from Competent Persons who undertake an inspection of very specific elements of the work on behalf of the building surveyor. The people who do this work are usually specialist trades or engineers in relation to footing and other structural inspections. Because the people doing these inspections are specialist in their area, they are often not capable of detecting defects in work outside of their specialist area and as such the rate of defect that is allowed to progress through the construction process increases.

This approach to construction compliance verification arose with private participation and has grown due to the effects of competition driving ways to find the lowest cost basis on which the statutory building surveying service can be delivered. Building surveyors engaged as certifier see this approach as a means of shifting risk to those who provide certificates as competent persons, and this view encourages building surveyors to seek out certificates wherever possible.

It is not clear if the rate of defect would be different if building surveyors were directly responsible for the conduct of inspections. This is however a reasonable assumption to make when the competencies of a building surveyor are applied to the general state of a project during attendance at any stage or aspect inspection.

With a wider spread of mandatory notification of work stages, persons undertaking building work will be motivated to ensure their work will not be viewed as defective. Consequently, there will be an increase in the cost of construction. People will have to pay for what they expect to receive, a building that is fit for purpose, where currently they are paying for the cheapest possible delivery of a building.

There will be a cost to regulators arising from increasing activity around challenging poor performers to justify continued participation. There could be an increase in costs of building surveyors performing inspections should they be compelled to do this work directly, a point that would also raise resource constraint issues as well. These costs are estimated by AIBS to be small relative to the productivity benefits that are likely to be derived.

AIBS therefore recommends that the QPC investigates the costs and benefits to be derived from increasing rates of inspection, improved construction compliance verification, and linking inspection outcomes to licensing renewal processes. AIBS also recommends that in the event the QPC determines there is a benefit from increased levels of compliance, a recommendation is made to review inspection requirements to find an optimal means of undertaking inspections without increasing costs of inspection activities beyond what is necessary to affect the result.

The following section of this submission contains AIBS' responses to the QPC interim report recommendations, reform areas and information needs.

Interim report recommendation, reform area and information requirement responses

QPC report content	AIBS response
<p>PRELIMINARY RECOMMENDATION 1 - PROJECT SEQUENCING</p> <p>The Queensland Government should improve the way it prioritises its infrastructure spend by requiring market sounding be undertaken both prior and during the tender process, to ensure projects are staged and prioritised to be commensurate with market capacity. These assessments should be conducted from a whole of government perspective, rather than a siloed or agency perspective.</p>	<p>AIBS has no comments in relation to this item</p>
<p>PRELIMINARY RECOMMENDATION 2 - PROJECT RATIONALISATION</p> <p>To reduce pressure on the construction industry and support productivity, the Queensland Government should undertake a full review of its capital program to:</p> <ul style="list-style-type: none"> • ensure the forward work program reflects key priorities, whilst being cognisant of market factors, including impacts on productivity • ensure the scope of works is necessary to achieve the outcomes being sought, for example, the scope does not include any features that add unnecessary costs • consider ways of delivering infrastructure outcomes (such as reduced congestion) at lower cost, including through non-infrastructure solutions (such as a greater focus on demand management). 	<p>AIBS has no comments in relation to this item</p>
<p>REFORM DIRECTION 1 - GOVERNANCE AND OVERSIGHT OF INFRASTRUCTURE DECISIONS</p> <p>There is a need to improve the decision-making process for public infrastructure projects in Queensland. Improvements could be achieved through better governance frameworks and instruments that surround how infrastructure projects are assessed, selected, sequenced and prioritised.</p>	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>Consideration should be given to embedding more transparent processes in procurement decisions, including that the selection and announcement of major infrastructure projects are contingent on a sufficiently rigorous assessment, such as a cost-benefit analysis, being conducted and publicly disclosed.</p> <p>Other potential options to improve decision making could include improved governance frameworks, oversight mechanisms, or something in between. While there are likely to be pros and cons of different options, they should be cost-effective, should not impose unnecessary compliance requirements, be transparent, have longevity, and able to influence decision making.</p>	
<p>REQUEST FOR INFORMATION - PROJECT SELECTION AND SEQUENCING</p> <p>The Commission is seeking further information on:</p> <ul style="list-style-type: none"> the extent to which the Queensland Government's capital program is impacting or is likely to impact the construction industry's ability to deliver other projects (for example, private residential and non-residential projects), and whether there are opportunities to improve the selection and sequencing of future projects arrangements or incentives that would help government improve its selection, prioritisation and staging of infrastructure. In particular: <ul style="list-style-type: none"> Whether internal to government mechanisms can help improve decision making, and if so, what has been successful in the past or in other jurisdictions. If there is any evidence that independent advisory bodies, such as the former Building Queensland, compared to other processes, have improved infrastructure outcomes, and what design elements have proven most successful. 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> Whether there are other effective and efficient mechanisms for improving the way government selects, prioritises, stages and contracts infrastructure projects. 	
<p>PRELIMINARY RECOMMENDATION 3 - QUEENSLAND GOVERNMENT PROCUREMENT POLICIES</p> <p>To ensure the best use of taxpayer money and support construction industry productivity and innovation, the Queensland Government's procurement policy should have a sole objective of value for money, where value for money is defined as the project's i) whole-of-life costs and ii) fitness for purpose, with due consideration for risk and quality outcomes.</p> <p>To reduce administrative burden on tenderers and increase competition, particularly in regional areas, procurement policies should be simplified. Unless it can be demonstrated they provide net benefits to the community, policies that are not directly related to value for money, should be removed as requirements in government procurement. These include:</p> <ul style="list-style-type: none"> the Ethical Supplier Mandate and Ethical Supplier Threshold the Supplier Code of Conduct the Queensland Government Building and Construction Training Policy the Local Benefits Test the Queensland Renewable Energy Procurement Policy. <p>All procurement instruments that are used for the tender process should be reviewed with the aim of achieving administrative simplicity.</p>	<p>AIBS notes that procurement requirements related to the engagement of building surveyors for government projects does not take account of the role of Professional Standards Schemes in mitigating risk so that policies often oblige building surveyors to carry Professional Indemnity Insurance cover far in excess of the legislatively capped liability that scheme participation provides.</p> <p>This creates considerable burden on building surveyors who must seek an extension to the liability cap from the scheme operator in order to meet procurement policy requirements.</p> <p>Additionally the quantum of cover that must be purchased is greater than the risk that is required to be covered so that the cost of the provision of the service is inflated without justification.</p> <p>The Australian Institute of Building Surveyors Professional Standards Scheme provides capped liability at \$2m for practitioners working on commercial scale buildings and \$1m for residential scale buildings. The capped amounts were set on the basis of ten years of claims data that demonstrated consumers would not be disadvantaged by the setting of these caps.</p> <p>Government procurement policies typically oblige building surveyors to obtain professional indemnity insurance cover commensurate with all other consultants engaged in the project, typically \$10m.</p>
<p>REFORM DIRECTION 2 - PRE-QUALIFICATION</p> <p>Several stakeholders raised issues with Queensland's pre-qualification (PQC) system, including that it includes unnecessary requirements, is difficult to navigate, duplicates existing requirements, is excessively risk-averse and rigid, particularly for growing or less-established firms. It is also likely to restrict competition.</p>	<p>To obtain \$10m of PII cover as a building surveyor, most practitioners report that they must obtain multiple cover certificates in a layering effect, each with significant premiums and deductibles.</p>

QPC report content	AIBS response
<p>While there appears to be a case for streamlining the pre-qualification system, the Commission would like to hear from stakeholders on how this would be best achieved, and what agency capabilities or incentives are working well or need to be improved to achieve this.</p> <p>There also appears to be a case for conducting a review of PQC contract value thresholds.</p>	<p>Amendment to government procurement policies to simply recognise participation within a professional standards scheme as a means of demonstrating conformity with the insurance cover requirements of the policy would suffice – allowing those who participate to offer fees reflective of the lower costs of obtaining PII cover that stem from participation.</p>
<p>REQUEST FOR INFORMATION - QUEENSLAND GOVERNMENT PROCUREMENT POLICY</p> <p>The Commission would like further information on:</p> <ul style="list-style-type: none"> • How Queensland Government procurement policies: <ul style="list-style-type: none"> • impact the procurement decision of government • affect contractor behaviour and on-site productivity • provide benefits or costs not considered by the Commission and whether these justify their retention. • How the pre-qualification system impacts contractors, building consultants and subcontractors, and the extent to which it impacts the ability of small and medium subcontractors in regional areas to compete for government tenders, and what could be done to improve matters. • Whether there are more appropriately sized PQC thresholds and the extent to which these thresholds should vary for different stakeholders. 	
<p>PRELIMINARY RECOMMENDATION 4 - BEST PRACTICE INDUSTRY CONDITIONS</p> <p>Best Practice Industry Conditions (BPICs) should be permanently removed from the Queensland Government's procurement policy.</p>	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>REFORM DIRECTION 3 - OPTIONS FOR A BROADER INDUSTRY RESET</p> <p>Removing BPICs alone is unlikely to be sufficient to shift construction productivity to a growth path or improve behaviours on government construction sites.</p> <p>Given that BPIC-like conditions now seem to be embedded in industry practice, including in enterprise bargaining agreements that are not due to be re-negotiated until mid-2027, it is likely that a broader industry reset is required.</p> <p>Evidence from stakeholders suggests that to improve matters, competition will need to be encouraged, on large government projects. This will require that firms have the confidence to enter the Queensland market, or for existing firms to expand capacity.</p> <p>Stakeholders have suggested several options for improving confidence and allowing a more competitive market:</p> <ul style="list-style-type: none"> • a revised set of policies for large construction projects that provide for higher productivity, for example by excluding firms that allow pass through of enterprise bargaining conditions to sub-contractors and/or provisions that reduce flexibility, competition or enable unnecessary or disproportionate productivity reducing practices • guidance on managing contentious workplace health and safety issues, such as work during wet and hot weather events, processes for proportionate responses to workplace health and safety incidents, and requirements for site shutdowns • the establishment of an independent arbiter to negotiate disagreements and/or a watchdog to reduce illegal or anti-competitive conduct on work sites. 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>REQUEST FOR INFORMATION - BEST PRACTICE INDUSTRY CONDITIONS</p> <p>The Commission would like to:</p> <ul style="list-style-type: none"> • understand whether there is any evidence that workplace and safety outcomes on BPICs sites are better than non-BPIC sites or that BPICs have led to industry-wide improvements in workplace health and safety • encourage stakeholders to provide quantitative evidence on impacts, costs and benefits of BPICs to further inform the Commission's analysis. <p>The Commission would like to gather stakeholder feedback on:</p> <ul style="list-style-type: none"> • options for improving workplace practices on large construction sites • options for re-setting industry practices more broadly • what government could do to create conditions to encourage greater competition for large construction projects, including to encourage growth of existing Tier 2 construction firms • whether there are likely to be any unintended consequences from the various reform options put forward in submissions to the inquiry. 	<p>AIBS has no comments in relation to this item</p>
<p>REFORM DIRECTION 4 – IMPROVING TENDERING AND CONTRACTING</p> <p>The Commission is considering options for improving the way the Queensland Government tenders and contracts for public infrastructure projects, to reduce costs, foster greater competition, better manage and allocate risk, and encourage innovation.</p> <p>Options include:</p> <ul style="list-style-type: none"> • addressing barriers to 'digital by default' approaches that would increase efficiency, facilitate information sharing and collaboration, and reduce risk 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> • making greater use of collaborative contracting arrangements to encourage innovation • developing guidance around appropriate risk/profit sharing arrangements in Government contracts, including on the use of performance incentives • adopting standard contracts to reduce administration costs • better 'sizing' of tenders to suit circumstances — this could involve bundling of similar projects to encourage cost savings through economies of scope and scale, and/or breaking up large projects into smaller packages to allow smaller, innovative firms to tender for components of builds. <p>The Commission notes that these initiatives, at least in part, are already government policy. For example, the Queensland Government has guidance material which is intended to facilitate more collaborative contracting.</p> <p>It is possible that, to facilitate better outcomes, agency capabilities and incentives need to be changed.</p>	
<p>REQUEST FOR INFORMATION – IMPROVING TENDERING AND CONTRACTING</p> <p>The Commission is seeking information on:</p> <ul style="list-style-type: none"> • the key barriers to increased adoption of digital technologies, such as Building Information Modelling, and the policies or practices that would allow the opportunities for digital technologies to be fully leveraged • the benefits and costs of collaborative contracting arrangements, and the key barriers to greater adoption of collaborative contracting (including early contractor engagement) • how risk can be more appropriately allocated in government contracts • the benefits and costs of adopting standardised contracts 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<ul style="list-style-type: none">• the extent to which there are likely to be benefits from greater bundling of projects, and the extent to which this might prevent competition by preventing smaller firms from tendering for work• whether government procurement agencies have the capacity to undertake the types of changes noted in submissions, and what additional capabilities (public and private) are required and how these could be best achieved• examples of successful approaches that have been used to incentivise improved risk-allocation by contracting agencies• the pros and cons of replacing prescriptive specifications with more performance-based specifications.	

QPC report content	AIBS response
<p>PRELIMINARY RECOMMENDATION 5 - DESIGN OF PLANNING REGULATION</p> <p>To reduce uncertainty and unnecessary regulatory impost on building design, improve productivity and allow greater innovation, the Queensland Government should:</p> <ul style="list-style-type: none"> • commission an independent review to remove inconsistencies between the Planning Act and the Building Act (and associated regulations) to provide clarity regarding local government powers to regulate building matters and ensure that planning matters are implemented consistently with the Building Act • ensure the requirements in local government planning schemes are consistent with the Queensland Development Code, including any variations due to climatic or other conditions • require that any variations from the Queensland Development Code (the Code) in local and state government planning schemes have demonstrated net benefits to the community — consideration should be given to introducing a requirement for a formal regulatory assessment for any variations from the Code • amend the Planning Act to standardise zoning types across all local plans. • continue to progress standardised siting and design requirements for detached housing, secondary dwellings, and smaller townhouse and apartment buildings • ensure that state and local government overlays are consistently applied across planning schemes. 	<p>AIBS supports this recommendation.</p>
<p>REQUEST FOR INFORMATION - DESIGN OF PLANNING REGULATION</p> <p>The Commission would like to test its understanding of planning regulation, including:</p> <ul style="list-style-type: none"> • our understanding and framing of the issues with planning regulation, including the way it interacts with building regulation 	<p>AIBS would be happy to provide a detailed response via interview on this request for information.</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> • stakeholders' experience of complying with planning regulations, including how regulatory differences across Queensland impede construction productivity and innovation • stakeholders' experience of interacting with regulators, i.e. how well regulators have performed and what factors contribute to better performance • examples of where regulations have been applied flexibly to achieve better outcomes and conversely where an outcome was worse due to inflexibility. <p>The Commission is also seeking stakeholder views on the reform directions outlined above, including:</p> <ul style="list-style-type: none"> • if there are other reforms that would help to reduce regulatory complexity or inconsistency • the extent to which developers and residents could be provided the flexibility to negotiate variations to existing regulation to reach mutual agreement on development in a neighbourhood, and what frameworks need to be established to make this work • what other mechanisms could help to better align regulatory outcomes with community preferences • any unintended consequences, implementation issues or other issues that should be considered. 	
<p>PRELIMINARY RECOMMENDATION 6 - INFRASTRUCTURE CHARGING</p> <p>The Queensland Government should commission an independent review of the infrastructure charging regime to ensure it provides:</p> <ul style="list-style-type: none"> • an efficient level of funding to support the necessary infrastructure to support development • price signals that ensure that future development considers the efficient use and provision of infrastructure assets. 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>The review should consult widely, including with local governments and industry stakeholders.</p>	
<p>PRELIMINARY RECOMMENDATION 7 - PLANNING AND DEVELOPMENT APPROVAL PROCESSES</p> <p>To streamline high priority development assessments, the Queensland Government should provide a streamlined alternative development assessment pathway for significant developments, including for housing.</p> <p>This alternative development assessment pathway should:</p> <ul style="list-style-type: none"> • use independent planning professionals • have objectives consistent with maximising the welfare of Queenslanders • should have clear guidelines on the definition of a significant development but should not be subject to any other requirements. 	<p>AIBS has no comments in relation to this item</p>
<p>REFORM DIRECTION 5 - PLANNING AND DEVELOPMENT APPROVAL PROCESSES</p> <p>There is a strong case for amending the Planning Regulation to reduce procedural complexity and make the approval process more accountable.</p> <p>Stakeholders have suggested that this could be achieved by enhancing the role of building certifiers (or other suitable third parties) to manage the approval process. This could include changing requirements so that only a single development application is required for assessable developments and a third party becoming the prescribed assessment manager, with local government's role changing to a referral agency.</p>	<p>AIBS supports this reform direction and offers to provide further information via interview if required.</p>

QPC report content	AIBS response
<p>PRELIMINARY RECOMMENDATION 8 - PLANNING AND DEVELOPMENT APPROVAL PROCESSES</p> <p>To improve approval processes, the Queensland Government should:</p> <ul style="list-style-type: none"> • review the Building Act and Planning Act to ensure statutory timeframes are adequate to allow for staged approval processes • require local governments to publish their performance information, including approval outcomes, time taken to approve developments and outcomes from planning disputes taken to court • require a suitable entity to consolidate and publish this local government performance information • consider developing, in collaboration with local governments, a 'service guarantee' to ensure approval processes occur in an efficient and timely manner • investigate digital planning and permitting technologies to improve the efficiency, accuracy and transparency of the approval process. 	<p>AIBS supports this recommendation</p>
<p>REQUEST FOR INFORMATION - PLANNING AND DEVELOPMENT APPROVAL PROCESSES</p> <p>To assist the Commission to better understand how planning and development approval processes can be improved, we are seeking further evidence on where development approvals work well and where they do not, as well as examples that have been used successfully in other jurisdictions.</p> <p>The Commission is seeking evidence and views on:</p> <ul style="list-style-type: none"> • on what types of development and what criteria should be set for assessing whether a development is sufficiently significant to qualify for an alternative development assessment pathway, and which body should be responsible for coordinating and making assessments • whether there are opportunities to engage third parties such as building certifiers to take more of a role in the planning and building approval 	<p>AIBS would be happy to provide a detailed response via interview on this point.</p>

QPC report content	AIBS response
<p>process, including whether this would help to streamline approvals and whether it would introduce unintended consequences, and how these could be mitigated</p> <ul style="list-style-type: none"> • what performance information would be useful to collect and make public • the merit of a 'service guarantee' and what form it might take • possible housing designs or services where pre-approval could be given or the need for approval could be removed • whether and how technology could be used to help improve approval processes. 	
<p>PRELIMINARY RECOMMENDATION 9 - ZONING REGULATIONS AND LAND SUPPLY</p> <p>To increase the supply of housing and improve housing construction productivity and affordability, the Queensland Government should introduce measures to ease zoning restrictions in well-located areas. To do this it should:</p> <ul style="list-style-type: none"> • identify well located areas near activity centres and surrounding transport hubs in South East Queensland and regional cities where housing densities could be increased • institute a rigorous process that includes open consultation on how and where greater densities should be achieved to improve housing affordability and maximise net benefits to the broader community • increase the allowable densities in appropriate areas by amending local planning schemes or setting rules for locations that local governments must implement in their planning schemes. 	AIBS has no comments in relation to this item
<p>PRELIMINARY RECOMMENDATION 10 - ZONING REGULATIONS AND LAND SUPPLY</p> <p>To ensure that local governments have sufficient incentives to deliver new housing supply in well-located areas, the Queensland Government should set annual targets for the supply of construction-ready land and for the</p>	AIBS has no comments in relation to this item

QPC report content	AIBS response
<p>construction of new housing for each local government area and hold local governments accountable for meeting these targets.</p> <p>To enact this, the Queensland Government should:</p> <ul style="list-style-type: none"> • set targets that include desired outcomes for low, medium and high-density housing, and include short- and long-term targets to zoned supply, development rights, approvals and new land and dwelling supply • require local governments to report against these targets in their annual reports, including whether targets have been met, and, where they have not been met, the reason • require reporting on development and building approval outcomes, including acceptance/refusal, time taken to complete approvals and outcomes for cases brought to the planning court • improve monitoring and reporting on the implementation and performance of housing supply targets across Queensland • regularly consolidate local and state planning performance information and publish this in a public report • consider applying financial incentives and/or penalties to local governments to incentivise them to meet any new land and housing targets. 	
<p>REQUEST FOR INFORMATION - ZONING REGULATIONS AND LAND SUPPLY</p> <p>To assist in further developing recommendations in relation to zoning reform, the Commission is seeking stakeholder views on:</p> <ul style="list-style-type: none"> • the adequacy of current reporting on land supply • where zoning reforms should be targeted, particularly those aimed at increasing density, and whether there should be exceptions or exemptions within regions targeted for zoning reform • how consultation on zoning reforms should be conducted 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> • whether and how land and housing targets should be set for individual local governments • whether there are likely to be significant costs with the public reporting of local government performance in achieving any targets • whether monitoring and reporting of land supply targets should be undertaken by an independent body • the efficacy of any financial incentives or penalties for improving performance, and how they could be applied • other factors the Commission needs to consider. <p>The Commission is also interested in whether it is possible to enable more local control over land use, and what arrangements might align local and broader community interests.</p> <p>The Commission would like to encourage stakeholders to provide quantitative evidence on the impacts, costs and benefits of planning reforms to further inform the Commission's analysis.</p>	
<p>REFORM DIRECTION 6 - COMMUNITY SUPPORT FOR HOUSING DEVELOPMENT AND REFORM</p> <p>The Commission is considering how governments can better assess and build community support for housing development and reform. Options include:</p> <ul style="list-style-type: none"> • building the case for development and reform • engaging earlier and better with the community on proposed developments • enacting provisions to enable more local involvement in the way development occurs • improving consultation approaches so community views are better understood and represented • sharing the benefits of development with the community by enhancing local neighbourhoods and enacting reforms to allow greater negotiation between developers and residents on the conditions of development. 	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>REQUEST FOR INFORMATION - COMMUNITY SUPPORT FOR HOUSING DEVELOPMENT AND REFORM</p> <p>To assist in further developing the reform direction, the Commission is seeking further information and evidence on:</p> <ul style="list-style-type: none">• community views and preferences on housing development and the need for reform and mechanisms that can be used to ensure consultation mechanisms are representative of broader community views• how outcomes can be shaped so that communities are more accepting of change, including of higher densities• whether there are practical measures that can be taken to allow more local involvement in shaping how development, including those aimed at increasing density, occurs in neighbourhoods• whether there are options that would enable or facilitate more direct negotiations between developers and neighbours (for example trading off height restrictions for greenspace) without compromising development costs or timeframes• how the benefits of development can be shared with the community.	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>PRELIMINARY RECOMMENDATION 11 – IMPACTS ARISING FROM NCC 2022</p> <p>Unless it is demonstrated through consultation that energy efficiency and accessibility standards made as part of NCC 2022 provide a net benefit to the Queensland community, the Queensland Government should amend the Queensland Development Code to opt-out of these provisions (that is, make them voluntary).</p>	<p>AIBS strongly opposes any approach to the establishment of technical infrastructure in Australia that is not uniform across all jurisdictions.</p> <p>The increased compliance costs associated with such an approach are considerable, particularly for suppliers of building materials, products and systems into a national market place, but also with respect to portability of skills across jurisdictional borders.</p> <p>AIBS notes the Commonwealth Treasurer’s round table event contemplated amendment to the scheduled program of amendment of the National Construction Code and that certain announcements have been made by the Commonwealth Building Minister. This is a signal to states and territories to align with and AIBS strongly encourages the Queensland Productivity Commission to make recommendations that support a national approach to the establishment of technical infrastructure.</p>
<p>PRELIMINARY RECOMMENDATION 12 – FUTURE REGULATORY CHANGES TO BUILDING CODES</p> <p>The Queensland Government should:</p> <ul style="list-style-type: none"> only adopt future NCC changes in Queensland codes where these have been through robust regulatory impact analysis to demonstrate they provide net benefits to the community only adopt other building code changes where these have been assessed as providing a net benefit under the Queensland Government Better Regulation Policy advocate for improved regulatory processes at the national level, including for NCC. 	<p>AIBS provides in-principle support for this recommendation, noting that in the usual course of business the Australian Building Codes Board is well capable of providing technical infrastructure solutions that are demonstratable as providing a net benefit to society in accordance with best practice regulation practices.</p> <p>There have been some notable exceptions to this approach in recent years. It is also notable that the budget for the Australian Building Codes Board has been reduced from around \$50m per annum to around \$8m per annum and that this has caused a significant reduction in key staff who would otherwise oversee the important steps in ensuring technical infrastructure is robust and economically appropriate.</p>
<p>REQUEST FOR INFORMATION – IMPACTS ARISING FROM NCC 2022</p> <p>Changes to the NCC are agreed upon through a process involving public consultation, review by expert committees and assessment of costs and</p>	<p>AIBS recommends that the Queensland Productivity Commission in turn recommends that the Queensland government advocate for the Intergovernmental Agreement Establishing the ABCB is redrawn so that industry has a policy voice alongside that of Building Ministers to</p>

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<p>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.</p>	<p>ensure decisions about the setting of the ABCB's work program take into account the consensus position of industry.</p> <p>Additionally, the Intergovernmental Agreement should oblige the ABCB to undertake a rigorous process of technical infrastructure evaluation prior to proposing that Building Minister's agree to publication of future editions of the NCC.</p> <p>AIBS would support delegation of authority to the ABCB for the publication of future editions of the NCC where developed according to a process established within the Intergovernmental Agreement as this would de-politicise establishment of technical infrastructure – ensuring it would address matters of public interest and not be subject to the uncertainties of the political process that has been evident over the last two cycles of NCC amendment.</p>
<p>REFORM DIRECTION 7 – STOCK REVIEW OF BUILDING REGULATIONS AND STANDARDS</p> <p>Given the accumulation of regulatory burden, there is likely to be value in undertaking a targeted, in-depth review of building regulations and standards, including how they are made, implemented and administered.</p>	<p>AIBS provides in principle support for this recommendation noting that this review should focus on technical regulation of the sector outside of NCC requirements.</p>
<p>REQUEST FOR INFORMATION – STOCK REVIEW OF BUILDING REGULATIONS AND STANDARDS</p> <p>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.</p>	<p>This is because in our view there are likely far greater productivity benefits to be gained from a rationalisation of jurisdictional requirements that are inconsistent with NCC requirements, but more importantly, that arise at a local council level. It is inconceivable that in this day and age, local councils retain an ability to dictate technical requirements that apply only in their council area.</p>

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<p>REFORM DIRECTION 8 – QBCC PERFORMANCE</p> <p>The QBCC should consider and implement outstanding recommendations of the 2022 QBCC governance review that remain relevant. It should also consider measures to improve performance, including streamlining its licensing processes, improving its responsiveness to stakeholder and customer concerns, ensure it has sufficient presence in regional areas and continue to work to reduce compliance burdens on industry.</p> <p>While it is beyond the scope of this inquiry to conduct an operational review of the QBCC, consideration should be given to whether the regulatory framework underpinning the QBCC provides the right incentives for ongoing improvements to regulatory performance.</p>	<p>AIBS notes that in every action taken by the QBCC to investigate practitioners, there should be a consumer outcome test applied to that action. If the action will deliver a consumer benefit, there is merit in proceeding with the investigation. If the matter is a technical breach that has no adverse consumer outcome, the matter is an opportunity to educate the practitioner concerned and no disciplinary action should be taken.</p> <p>In any action taken by the QBCC where a disciplinary finding is made, there should not be any public report of that finding until such time that the appeal period for the decision making process has been exhausted.</p>
<p>REQUEST FOR INFORMATION – QBCC PERFORMANCE</p> <p>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.</p> <p>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.</p> <p>Are there other options for incentivising improved performance that the Commission should consider?</p>	<p>Where the QBCC takes disciplinary action, it should also take steps to ensure the impacted consumer's position is restored.</p>
<p>REQUEST FOR INFORMATION – THRESHOLD FOR INSURABLE WORKS</p> <p>The Commission is seeking further information on the threshold for insurable works under the Queensland Home Warranty Scheme, including:</p>	<p>AIBS has no comments in relation to this item</p>

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<ul style="list-style-type: none"> 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. 	
<p>REQUEST FOR INFORMATION – DEPOSIT CAPS</p> <p>The Commission is interested in feedback on the current deposit caps for domestic building contracts in Queensland, including:</p> <ul style="list-style-type: none"> potential implications of raising the deposit cap for higher value contracts including any impact on preconstruction 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. <p>What would be the advantages and disadvantages of this approach for builders and consumers?</p>	<p>AIBS has no comments in relation to this item</p>
<p>PRELIMINARY RECOMMENDATION 13 – MINIMUM FINANCIAL REQUIREMENTS</p> <p>Unless it can be demonstrated that Queensland's minimum financial requirements deliver net benefits to the community, the Queensland Government should remove the requirements.</p>	<p>AIBS makes no comment in relation to this item.</p>
<p>REQUEST FOR INFORMATION – MINIMUM FINANCIAL REQUIREMENTS</p> <p>The Commission is seeking evidence on:</p> <ul style="list-style-type: none"> stakeholders' experience of complying with minimum financial requirements in Queensland and the time and resources involved 	<p>AIBS makes no comment in relation to this item.</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> whether minimum financial requirements remain well-targeted following the recent removal of reporting requirements for the majority of licensees whether minimum financial requirements provide benefits not considered by the Commission and whether these benefits justify their retention. 	
<p>PRELIMINARY RECOMMENDATION 14 – TRUST ACCOUNT FRAMEWORK</p> <p>To reduce regulatory burden on the construction industry, the pause on further rollout of Queensland’s trust account framework should remain in effect until the Queensland Government undertakes commensurate regulatory impact analysis of the framework in line with the Better Regulation Policy.</p>	<p>AIBS makes no comment in relation to this item.</p>
<p>REQUEST FOR INFORMATION – TRUST ACCOUNT FRAMEWORK</p> <p>The Commission would like to test its understanding of the costs and benefits associated with trust account obligations in Queensland, in particular:</p> <ul style="list-style-type: none"> stakeholders’ experience of complying with trust account obligations in Queensland and the time and resources involved how impacts differ across projects of different sizes (for example, contracts valued above/below \$10 million) whether stakeholders have observed reductions in contract pricing that could be attributed to the presence of trust accounts and a lower risk of delayed or non-payment whether trust account regulation is a significant impediment to undertaking construction projects in Queensland (including case studies or examples). <p>The Commission is seeking further information on:</p>	<p>AIBS makes no comment in relation to this item.</p>

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<ul style="list-style-type: none"> • whether trust accounts have been effective in reducing cases of non-payment in the Queensland construction industry • how trust accounts affect the way stakeholders operate and manage their finances (for example, cash flow) • the adequacy of existing alternatives available under the security of payment framework • availability of technological solutions to meet trust account obligations. 	
<p>PRELIMINARY RECOMMENDATION 15 – MODERN METHODS OF CONSTRUCTION</p> <p>To remove unnecessary regulatory barriers to the adoption of modern methods of construction (MMC), the Queensland Government should progress commitments under the revitalised National Competition Policy to:</p> <ul style="list-style-type: none"> • adopt a nationally consistent definition of MMC and adopting the national definitions in its relevant legislation • amend building legislation to accept manufacturer's certificates for NCC compliance • ensure regulatory neutrality in planning schemes and consumer protections for MMC. <p>The Queensland Government should also advocate for NCC performance-based provisions to be production-neutral, so they are suitable for MMC or, where necessary, develop MMC specific guidance and advocate with the Australian Building Codes Board and Standards Australia to ensure any standards accommodate MMC.</p>	<p>AIBS supports adoption of a nationally consistent definition of MMC terms and uniform adoption of these terms in legislation across Australia.</p> <p>AIBS also supports ensuring there is regulatory neutrality in planning schemes and consumer protections for MMC.</p> <p>AIBS is opposed to amendment of legislation to accept manufacturer's certificates for NCC compliance as this is considered self-certification, and as such is inconsistent with regulatory neutrality for consumer protection.</p> <p>The NCC is not a barrier to MMC.</p> <p>The current performance based approach it offers in respect of technical infrastructure is eminently flexible and adaptive and is ideal internationally with respect to facilitation of MMC.</p> <p>The barriers to MMC are derived from issues with licensing, construction compliance verification and financing restrictions.</p>
<p>REQUEST FOR INFORMATION – MODERN METHODS OF CONSTRUCTION</p> <p>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</p>	<p>A robot in Spain is unlikely to be licensed to undertake carpentry work in Queensland so that a factory producing timber frame elements for MMC supply to Queensland will be prevented from demonstration of compliance in the pathways currently available within the Building Act 1975 and related Regulations.</p>

QPC report content	AIBS response
<p>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:</p> <ul style="list-style-type: none"> • identified barriers that prevent widespread uptake of MMC • complications encountered by MMC builds complying with the NCC, planning schemes or other regulation • barriers to the adoption of MMC in government procurement processes. 	<p>It is also inefficient to expect that an aspect or stage inspection of work performed in a factory in Spain is undertaken to verify compliance in the manner required by the Building Act 1975 and related Regulations.</p>
<p>PRELIMINARY RECOMMENDATION 16 – WORKPLACE HEALTH AND SAFETY</p> <p>The Office of Industrial Relations should review the Compliance Monitoring and Enforcement Policy. The review should focus on ensuring that the policy provides adequate guidance and direction on how to ensure that compliance monitoring and enforcement activities appropriately manage risk while minimising unnecessary costs to businesses and society.</p>	<p>AIBS has no comments in relation to this item</p>
<p>PRELIMINARY RECOMMENDATION 17 – WORKPLACE HEALTH AND SAFETY</p> <p>The Queensland Government should expedite the development and rollout of a single, harmonised incident reporting framework, with the ability for single point digital reporting.</p>	<p>AIBS has no comments in relation to this item</p>
<p>REFORM DIRECTION 9 – WORKPLACE HEALTH AND SAFETY</p> <p>The Commission is exploring other options to improve the operation of Queensland's WHS regime. There appears to be broad stakeholder support for reforms that improve the operation and enforcement of the WHS regime, including to facilitate improved engagement between workers and employers.</p>	<p>AIBS has no comments in relation to this item</p>

QPC report content	AIBS response
<p>There seems to be several options for improving the operation of the workplace health and safety regime, which would not compromise health and safety outcomes. The following options have been suggested by stakeholders:</p> <ul style="list-style-type: none"> • to the extent possible, ensure Queensland's WHS laws reflect the National Model WHS Law • reviewing the powers and functions of the regulator so that it has a more effective and efficient role in facilitating site safety, including provisions for the removal from worksites of any parties who are acting illegally • ensuring that WHS representatives are elected representatives of company workers with a cap of one per working unit, with fit and proper person tests for the position and options for suspending WHS representatives where misconduct has been demonstrated, or where it can be demonstrated through a ballot that the representative has lost the support of those they represent • reviewing right of entry provisions to ensure these are commensurate with risk • developing codes of practice that outline right of entry, agreed approaches to wet and hot weather events, appropriate responses to safety incidents, and how and when site shutdowns occur • ensuring WHS regulators are appropriately funded, resourced and supported to undertake their designated functions convene quarterly forums as part of a recommended taskforce, between principal contractors, subcontractor groups, Industry associations and unions, to review stoppage data, resolve recurring issues and update guidelines as needed. 	
<p>REQUEST FOR INFORMATION – WORKPLACE HEALTH AND SAFETY</p> <p>Data suggests that WHS outcomes for the construction industry have not improved over the last decade, despite significant policy effort and</p>	<p>AIBS has no comments in relation to this item</p>

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<p>increased compliance costs on industry. The Commission is seeking further evidence from stakeholders to support or refute this.</p> <p>In addition, the Commission is seeking information on:</p> <ul style="list-style-type: none"> • 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. 	
<p>REFORM DIRECTION 10 – TRAINING AND APPRENTICESHIPS</p> <p>The Queensland Government should establish a collaborative process with industry and relevant government organisations and agencies to identify problems, reform opportunities and priorities to improve the training and apprenticeship system for the construction industry in Queensland. Issues that should be considered include:</p> <ul style="list-style-type: none"> • the attraction and retention of prospective students and apprentices, including the efficacy of pre-apprenticeship and mentoring programs • the design, capacity and quality of the training system, and how these can be improved to meet the needs of industry and prospective and existing workers • financial considerations for employers, apprentices and students, including whether the efficacy of apprenticeship subsidies can be improved • development pathways to encourage a career in construction. <p>In considering these issues, attention should be given to:</p> <ul style="list-style-type: none"> • any legal or institutional barriers to reform in this area 	<p>AIBS notes that there are no requirements for persons holding trade qualifications to do any training or ongoing development activities to ensure their knowledge and skills keep pace with legislative, technical and other relevant changes to their trade.</p> <p>This has impacts on the quality of training they are able to provide to new entrants to the trade who might become their apprentice. It also has impacts on the standard of work that is performed by the tradesperson.</p> <p>Recommendation 3 of the 2018 Shergold and Weir report and indeed the model guidance on BCR recommendation 3 'Continuing Professional Development on the NCC and Ethics' by the ABCB in 2021 should be implemented in Queensland to overcome both of these impacts which hamper sector productivity.</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> the appropriate sharing of funding among government, students and apprentices, individual businesses and industry generally, considering the incidence of benefits from training the design of measures to minimise market distortions to the construction industry and the broader economy broader reforms of the education and training systems, and how these interact with reforms proposed under this process the requirements of mature age apprentices, and other factors required to support diversity the requirements of regional and remote areas. <p>REQUEST FOR INFORMATION – TRAINING AND APPRENTICESHIPS</p> <p>The Commission is seeking stakeholder views and evidence on:</p> <ul style="list-style-type: none"> 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. 	
<p>PRELIMINARY RECOMMENDATION 18 – REVIEW OF OCCUPATIONAL LICENSING</p> <p>All of Queensland's construction-related occupational licensing requirements should be reviewed through a multi-year coordinated program of stock reviews by relevant agencies in consultation with relevant stakeholders.</p> <p>At a minimum, each review should consider whether:</p>	<p>In 2021, the ABCB published a National Registration Framework for building practitioners in response to the 2018 Shergold and Weir report recommendations 1 & 2.</p> <p>AIBS supports the approach set out in that document as an appropriate benchmark for regulation of practitioners in Queensland, particularly as this is a benchmark intended as a national approach to licensing and registration.</p>

QPC report content	AIBS response
<ul style="list-style-type: none"> • there is reliable evidence of a market failure • market failure is better addressed by existing regulation (for example, consumer law) • there is clear evidence the licensing requirement addresses the market failure effectively • licensing arrangements deliver net benefits to the community • licensing requirements deliver the greatest net benefits to the community relative to other options. <p>There may also be opportunities to more fully recognise prior learning and experience in assessing whether licensing requirements have been met.</p>	<p>AIBS notes considerable difficulty arising between jurisdictions where qualification differences exist. The Victorian government had a decision against them in the High Court, resulting in a change in approach to registration via mutual recognition in that State. Subsequently, large numbers of persons residing in Victoria applied for and received registration in West Australia and then used that registration to apply for registration in Victoria via mutual recognition.</p> <p>A similar approach has been observed for practitioners seeking registration in for statutory building surveying roles in NSW.</p>
<p>REQUEST FOR INFORMATION – PRIORITISING OCCUPATIONAL LICENSING REVIEWS</p> <p>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.</p>	<p>Queensland has elected not to participate in the mutual recognition process and consequently is not able to take advantage of labour portability when demand spikes occur within Queensland. Indeed, many Queensland registered building surveyors will find it quite simple to get registered for statutory building surveying practices outside of Queensland providing potential for leakage of professional building surveyors out of Queensland.</p> <p>The occupational review should encompass mutual recognition.</p>
<p>PRELIMINARY RECOMMENDATION 19 – REGULATORY IMPACT ANALYSIS OF PENDING OCCUPATIONAL LICENSING</p> <p>For any pending changes to occupational licensing that have the potential to increase requirements for the construction industry and have not been subject to an assessment under Queensland's Better Regulation Policy, the Queensland Government should suspend their commencement until that analysis is completed.</p>	<p>AIBS has no comments in relation to this item</p>
<p>PRELIMINARY RECOMMENDATION 20 – REMOVING BARRIERS TO LABOUR MOBILITY</p> <p>Unless it can be rigorously demonstrated that Queensland's specific occupational licensing requirements deliver greater net benefits to the</p>	<p>AIBS supports this recommendation and notes that a review of the licensing scheme should be undertaken with a view toward alignment of construction sector licensing and registration requirements nationally.</p>

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<p>community than those of other states and territories, the Queensland Government should:</p> <ul style="list-style-type: none"> • join other states and territories in participating in Automatic Mutual Recognition of occupational licences, at least in relation to the construction industry • automatically recognise equivalent licensing obtained in other states for construction workers. 	
<p>REFORM DIRECTION 11 – OPPORTUNITIES TO BETTER UTILISE SKILLED OVERSEAS MIGRATION</p> <p>Based on preliminary evidence, there appears to be scope for the Queensland Government to advocate for an increased allocation from skilled international migration.</p> <p>There may also be scope for the Queensland Government to:</p> <ul style="list-style-type: none"> • nominate more subclass 190 or 491 visas for construction trades • reduce duplicative skills assessments, or to recognise equivalent overseas qualifications of potential immigrants. 	<p>AIBS has no comments in relation to this item</p>
<p>REQUEST FOR INFORMATION – OPPORTUNITIES TO BETTER UTILISE SKILLED OVERSEAS MIGRATION</p> <p>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:</p> <ul style="list-style-type: none"> • 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 	<p>AIBS has no comments in relation to this item</p>

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<ul style="list-style-type: none"> other specific opportunities to increase the use of skilled overseas migration to meet Queensland's construction skills needs. 	
<p>REFORM DIRECTION 12 – LABOUR HIRE LICENSING</p> <p>The Commission is considering whether existing labour hire licensing requirements should be applied to construction work, noting the rationale for labour hire licensing appears weaker for construction than for other industries.</p>	AIBS has no comments in relation to this item
<p>REQUEST FOR INFORMATION – LABOUR HIRE REGULATION IN CONSTRUCTION</p> <p>In relation to labour hire in construction, the Commission is seeking evidence as to whether:</p> <ul style="list-style-type: none"> labour hire licensing arrangements enhance workplace health and safety outcomes beyond those achieved by other laws the costs imposed on businesses by the regime are disproportionate to those benefits Queensland workers and businesses would be better served by the state's participation in the process underway for a national (rather than state-based) scheme. 	AIBS has no comments in relation to this item
<p>REQUEST FOR INFORMATION – TAXES ON FOREIGN INVESTMENT</p> <p>The Commission is seeking further information from stakeholders on:</p> <ul style="list-style-type: none"> the extent to which Queensland's foreign investor taxes are likely to impede housing construction and innovation whether the recently announced changes to streamline the granting of ex gratia relief will address stakeholder concerns whether Queensland's additional taxes on foreign investment should be removed. 	AIBS has no comments in relation to this item

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<p>PRELIMINARY RECOMMENDATION 21 – UTILITY CONNECTIONS</p> <p>Any requirements or conditions applied by utility providers should align, as far as practicable, with existing agreed standards. Where they do not align, the utility provider should offer clear, transparent, and evidence based justifications for any differing requirements imposed.</p>	<p>AIBS has no comments in relation to this item</p>
<p>REQUEST FOR INFORMATION – UTILITY CONNECTIONS</p> <p>Appropriate coordination and collaboration between local governments, utility providers and developers can ensure new dwellings are serviced by the timely and efficient provision of utility services.</p> <p>The Commission is seeking further information on:</p> <ul style="list-style-type: none"> the extent of coordination and collaboration, between governments, the construction industry and utility providers that already occurs where there may be further opportunities to align development approval with timely infrastructure provision and utility connection whether existing performance standards and metrics reported against by utility providers appropriately incentivise performance. 	<p>AIBS has no comments in relation to this item</p>
<p>REQUEST FOR INFORMATION – EXTENSION OF ENERGY QUEENSLAND'S ENTERPRISE BARGAINING AGREEMENT RATES OF PAY TO CONTRACTORS AND SUBCONTRACTORS</p> <p>Several stakeholders have raised issues with the 2024 Energy Queensland Union Collective Agreement (the EQ EBA), stating that it adds unnecessary conditions on subcontractors carrying out contestable works on the EQ network, reducing competition and increasing the costs of housing developments.</p> <p>Several options have been put forward by stakeholders to address this issue, including that the Queensland Government:</p>	<p>AIBS has no comments in relation to this item</p>

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<ul style="list-style-type: none">• request EQ to remove the requirement for EQ's EBA rates of pay and allowances to be applied to contestable works (which apply to employees of contractors and subcontractors) when EQ negotiate their next EBA in 2028• revise the definition of contestable works, so that sub-contractors are no longer covered by the EQ EBA. <p>The Commission is seeking information on the impact of the requirements and feedback on stakeholder proposals.</p>	

In closing

AIBS is committed to working with government, industry and key stakeholders to continually improve the building regulatory system throughout Australia.

Please contact us for any clarification or further information that may assist.