

28 August 2025

Ms Angela Moody
Productivity Commissioner and Chair
Queensland Productivity Commission

Via email: enquiry@qpc.qld.gov.au

Dear Commissioner,

RE: Queensland Productivity Commission Construction Productivity Inquiry

The Local Government Association of Queensland (LGAQ) welcomes the opportunity to provide feedback to the Queensland Productivity Commission (QPC) on the 'Opportunities to Improve Productivity of the Construction Industry' Interim Report (the Interim Report).

This submission builds on the LGAQ's prior response to the QPC's call for initial stakeholder input, in May 2025.

As the peak body for local government in Queensland, the LGAQ has been advising, supporting and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities. The LGAQ does this by connecting councils to people and places; supporting their drive to innovate; improving service delivery through smart services and sustainable solutions; and supporting councils to achieve for their communities.

Queensland councils remain committed to working in partnership with other levels of government, industry and the community, to effectively address housing availability and affordability challenges.

The LGAQ thanks the QPC for its recommendations in relation to the need for:

- An independent review of Queensland's building and planning frameworks to remove inconsistencies between the Planning Act and the Building Act (and associated regulations);
- Digital planning and permitting technologies to improve efficiency and transparency; and
- An independent review of the infrastructure charging regime to ensure it provides an efficient level of funding to support the necessary infrastructure to support development.

These are important and critical actions that should be taken to address housing supply and affordability challenges, and align with the calls of Queensland councils as expressed through recent LGAQ Annual Conference resolutions, the LGAQ Policy Statement and following detailed, independent research commissioned by the LGAQ¹.

However, the LGAQ is extremely concerned by many of the findings and recommendations contained within the Interim Report in respect to the role of the planning framework and the perceived impact of councils on construction productivity. It does not appear the QPC has endeavoured to understand the planning framework before criticising planning and proposing reforms. Further, several recommendations the Interim Report has made are already a fixture of Queensland's planning system.

The Interim Report findings and recommendations do not align with the available evidence including available data. It is therefore critical that in formulating its Final Report, the QPC works

¹ [LGAQ Research: Fixing Queensland's trunk infrastructure funding framework \(2024\)](#)

with councils, planning experts, industry and the State to instead identify evidence-based, mutually agreeable, practical and actionable solutions to the housing crisis

The LGAQ is also disappointed by the narrow consultation timeframes for the Interim Report and the lack of planning expertise engaged to inform the Interim Report's drafting. The consultation period does not have regard to the time local government officers require to review the Interim Report, draft a submission, brief councillors, and obtain the necessary approvals to provide a submission.

In the LGAQ's May 2025 submission, the LGAQ urged the QPC to ensure its recommendations and Interim Report considered and reflected the publicly available data, that shows Queensland councils are facilitating development at rates that support State and Federal Government housing targets.

Queensland councils have already zoned enough broadhectare land for ~580,000 new homes according to the QGSO². In addition, based on a review of publicly available, State Government endorsed Local Government Infrastructure Plan extrinsic materials from 35 councils, the LGAQ has found that councils have also zoned for more than 1,000,000 new infill homes.

Based on this, it is clear that council zoning is not a barrier to housing supply in Queensland.

In addition, councils have also approved extensive housing supply – including approximately new 100,000 residential lots as at December 2024³.

Townhouse and apartment (i.e. 'multiple dwelling') approvals are not monitored at a statewide level. However, according to the QGSO⁴, in South East Queensland (SEQ) alone, councils have approved more than 125,000 multiple dwellings which are yet to be built by developers. If it was assumed that that SEQ multiple dwelling approvals account for 70% of *all* Queensland multiple dwelling approvals (mirroring population distribution), councils would have approved almost 180,000 multiple dwellings state-wide.

Based on this, it is clear that council approvals are also not a barrier to housing supply in Queensland.

While councils have zoned for ~580,000 broadhectare lots and have approved ~100,000 residential lots, only 15,176 lots were completed and registered in 2024 according to the QGSO⁵.

Furthermore, while councils have zoned for more than 1,000,000 new infill homes and have approved ~180,000 multiple dwellings, the ABS dwelling completion data shows just over 10,000 multiple dwellings constructed in 2024⁶.

At these rates of construction, it would take industry more than 38 years to deliver all the new lots councils have zoned for, and 100 years to deliver the new infill homes councils have zoned for.

The LGAQ acknowledges that 'Queensland's construction industry is facing significant challenges, with rising levels of demand, a tight labour market, ongoing supply chain issues, and declining productivity', as noted in the Interim report.

² [QGSO, 2024](#)

³ [QGSO, 2024](#)

⁴ [QGSO, Building approvals: dwelling units approved by type, Queensland, 1983–84 to 2024–25 \(table\)](#)

⁵ [QGSO, Residential land development indicators, 2024 – 'RaL Certifications' tab, sum of cells CD62, CE62, CF62 and CG62](#)

⁶ [Australian Bureau of Statistics \(ABS\), TABLE 39. Number of Dwelling Unit Completions by Sector, States and Territories: Original, March 2025 – 'Data1' tab, sum of cells M287-M290](#)

Industry needs to be supported to unlock and activate existing approvals already issued by Queensland councils.

Given the overwhelming evidence that council zoning and approvals are not a barrier to housing supply, it is disappointing that the QPC's Interim Report focuses so strongly on the need for regulatory reform of the planning system in Queensland and suggests 'restrictive zoning' is 'hindering the supply of land', and that the State Government should 'ease zoning restrictions'.

For instance, the Interim Report cites that there has been a significant decline in construction productivity since 2018, and argues that land use regulation is the primary cause of this. However, there have been no fundamental changes to Queensland's planning system since 2018.

In addition, some parts of preliminary recommendation 5 of the Interim Report suggest that the State Government should "amend the Planning Act to standardise zoning types across all local plans". The QPC should be aware that standardised zone names, zone purposes, and zone colours are *already* a fixture of Queensland's planning framework – known as the 'regulated requirements' of the Planning Regulation 2017.

Preliminary recommendation 5 by the QPC also suggests that a 'formal regulatory assessment' should be introduced to assess 'net benefits' before councils are permitted to vary the Queensland Development Code. The QPC should be aware that this is *already* standard practice in Queensland's planning system - known as the State Interest Review Process.

Further, preliminary recommendation 7 by the QPC suggests that the State Government "should provide a streamlined alternative development assessment pathway for significant development, including for housing". The QPC should be aware that the 'State Facilitated Development' (SFD) pathway was established by the State Government in 2024, in an attempt to provide an alternate approval pathway for residential development applications. In the 12 months the SFD pathway was operational (with ~20 staff members), just 11 proposals were considered – and only six applications were approved⁷. By contrast, a similarly sized *local government* development assessment team approved ~300 development applications in the same period⁸.

The Construction Productivity Inquiry comes at a pivotal point in Queensland's history, at the juncture of unprecedented housing affordability challenges and once-in-a-generation opportunities such as those presented by the 2032 Olympic and Paralympic Games.

Since the onset of the housing crisis, Queensland councils and industry have taken strides in working together in the public interest.

For instance, in 2024 the LGAQ and the Urban Development Institute of Australia jointly called on an incoming State Government to fill the ~\$2 billion trunk infrastructure funding gap facing Queensland councils over the next four years. This advocacy was successful, and resulted in the \$2 billion Residential Activation Fund, which has been well received by councils and industry alike.

Subsequently, in 2025, the LGAQ, Master Builders Queensland and the Planning Institute of Australia jointly wrote to the State Government, calling for an independent review of the relationship between the planning and building frameworks.

In finalising the final report, the LGAQ would urge the QPC to work with councils, planning experts and industry to craft workable, evidence-based recommendations that build on these joint efforts to address the housing crisis.

⁷ [Department of State Development, Infrastructure and Planning \(DSDIP\), SFD applications public register](#)

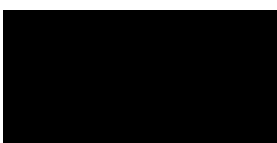
⁸ [Toowoomba Regional Council, Development Assessment Approval Statistics 2024-2025](#)

Further detailed recommendations, based on advice from council officers, are provided at **Attachment 1** to this letter.

While it is acknowledged that the Interim Report includes several preliminary recommendations, reform directions and information requests, the LGAQ's response focusses on key matters which Queensland councils have flagged with the LGAQ.

Should you wish to discuss the above further, or any other aspect of this submission, please do not hesitate to contact Matthew Leman, Lead – Planning and Development via [REDACTED] or Crystal Baker, Manager, Strategic Policy via [REDACTED]

Yours sincerely,



Alison Smith
CHIEF EXECUTIVE OFFICER

Attachment 1: Summary of Queensland Council Officer Feedback

Topic	Feedback	Recommendation
Divestment of Local Government Assessment Powers and Role of Private Certifiers	<p>Through the LGAQ's engagement with Queensland councils, several concerns have been raised regarding the QPC's proposal to divest local governments of assessment powers, and to vest additional powers in private certifiers and independent planning professionals.</p> <p>Local governments are elected, by the public, to represent their interests. Meanwhile, the agendas of private professionals are unknown, and may not reflect the public interest.</p> <p>Councils have suggested that building certifiers already have a significant role in assessing building works, and are not qualified to undertake planning assessments. It has been noted that expanding the role of private certifiers would require growing the current workforce, necessitate additional training, require new licensing, and lead to poorer community outcomes.</p> <p>In addition, Queensland councils passed resolution #13 in 2020 calling on the State Government to commit to preserving the autonomy of local government in land use planning and development assessment and ensuring that mandatory, externally appointed development assessment panels are not introduced in Queensland.</p>	Recommendation 1: The LGAQ recommends the QPC prioritises the promotion of town planning as a career choice, rather than suggest that local government powers should be divested to private certifiers and/or independent third parties.
Inadequate Infrastructure Funding and Capacity	<p>The LGAQ is pleased to see the QPC has considered the recommendation made in the LGAQ's May 2025 submission, to investigate options to permanently fix Queensland's trunk infrastructure funding framework in accordance with independent research undertaken for the LGAQ⁹.</p> <p>This remains an ongoing priority for Queensland councils, as indexation of infrastructure charges has not kept pace with rising construction costs.</p> <p>'More homes' cannot be built without 'more infrastructure' and therefore, in any conversation about increasing housing supply, infrastructure must be a central consideration. Any measures to increase planned supply, such as urban footprint expansions or zoning uplifts, must be coupled with a transparent and committed investment pipeline to support necessary enabling infrastructure by all levels of government.</p> <p>In undertaking a comprehensive review of Queensland's trunk infrastructure planning and funding framework, priority should be given to: permanent and appropriately indexed funding sources, the full scope of development infrastructure which is expected by modern communities, the roles of local government infrastructure plans (LGIPs), and the process to make or amend an LGIP.</p>	Recommendation 2: The LGAQ recommends the QPC refines preliminary recommendation 6 with councils, to further scope an independent review of Queensland's infrastructure planning and funding framework.

⁹ [LGAQ Trunk Infrastructure Funding Research, 2024](#)

<p>Misunderstanding of the Planning System</p>	<p>The Interim Report does not appear to reflect a solid understanding of the Queensland planning system. Councils have suggested that making recommendations to amend the planning system, without understanding the planning system, is a damaging and counter-productive exercise.</p> <p>The report makes frequent references to interstate and international planning systems and interventions, which bare no relevance to Queensland's context. While international research can offer valuable insights, the challenges identified in the U.S system (for instance) do not reflect the strategic, integrated, and reform-oriented nature of land use regulation in Queensland.</p> <p>In several instances, the Interim Report makes generalised assertions about the 'complexity' or 'inefficiency' of Queensland's planning system (including local government systems), however, no attempt is made to understand whether <i>perceived</i> complexities are <i>actual</i> complexities, or whether 'inefficiencies' support an inarguable public interest.</p> <p>For instance, the interim report asserts that 'planning regulation is unnecessarily complex' and cites that the City of Moreton Bay's planning scheme is 3,732 pages to justify this assertion. However, <i>if</i> the QPC had engaged with the planning scheme in question, the QPC would be aware that it is structured with much of its policy content repeated across codes, to support self-contained codes and allow for a highly practical and efficient "one-stop shop" for industry.</p> <p>These unjustified assertions about local government planning are made throughout the interim report, serve no productive purpose, and misdirect what could otherwise be practical recommendations.</p>	<p>Recommendation 3: The LGAQ recommends the QPC closely engages with Queensland councils and the LGAQ in preparing its Final Report to ensure it accurately describes the Queensland planning system and reflects the publicly available data that demonstrates local government planning and development approval processes are positively facilitating development outcomes.</p>
<p>Ineffectiveness of "Streamlined" Assessment Pathways</p>	<p>Local government is the level of government closest to the community and is best placed to make local development assessment decisions.</p> <p>The LGAQ Policy Statement (which articulates the definitive positions of local government) articulates that: <i>Local government does not support the mandatory introduction of externally appointed development assessment panels to determine development approvals, nor a state-based private certification system for planning but supports a council-controlled private certification of development applications. Decision making for development applications must remain with local government.</i></p> <p>In addition, Queensland councils passed resolution #13 in 2020 calling on the State Government to commit to preserving the autonomy of local government in land use planning and development assessment and ensuring that mandatory, externally appointed development assessment panels are not introduced in Queensland.</p>	<p>Recommendation 4: The LGAQ recommends the QPC deletes preliminary recommendation 7, in the context of evidence that local governments are better placed to deliver local development decisions.</p>

	<p>Queensland’s planning framework already has several ‘alternative’ development assessment pathways, and further fragmentation of pathways risks duplication, reduced transparency and trust, and uncertainty for industry and communities. Past attempts at “streamlined” assessment processes, such as SFD, have not been able to improve upon local government timeframes or output, have required substantial resources, and have led to very few dwelling approvals.</p> <p>As noted above, in the 12 months the SFD pathway was operational (with ~20 staff members), just 11 proposals were considered – and only six applications were approved. By contrast, a similarly sized <i>local government</i> development assessment team approved ~300 development applications in the same period.</p> <p>It cannot be argued that SFD proposals were more complex than development applications considered by councils, as some merely sought to add additional height to buildings which councils had already thoroughly assessed and approved.</p> <p>Based on this evidence, it is clear that local government is the most efficient and effective level of government to undertake development assessment. Considerations to further fracture or fragment Queensland’s development assessment systems should therefore be reconsidered.</p>	
Standardisation	<p>Through the LGAQ’s engagement with Queensland councils, several have raised concerns regarding the QPC’s view of ‘standardisation’. Councils are accountable to their communities and must balance growth with liveability.</p> <p>It should be noted that, in a state as diverse as Queensland, a ‘one-size-fits-all approach’ is inappropriate and cannot consider diverse local conditions which require variations for neighbourhood design, character, amenity, and specific hazards like flood and urban heat.</p> <p>Councils are best placed to reflect community values and character in planning schemes, respond to environmental constraints, infrastructure capacity, and heritage considerations, engage directly with residents and stakeholders, and tailor planning to economic and demographic realities of their region.</p> <p>It has also been noted that broad standardisation could stifle innovation, promote uniformity at the expense of unique local contexts, and lead to mediocrity.</p>	<p>Recommendation 5: The LGAQ recommends the QPC deletes parts of preliminary recommendation 5 relating to standardisation and consistency, in recognition of the diversity of Queensland’s climate, character and communities.</p>
Housing Supply Targets and Punitive Measures	<p>As noted above, Queensland councils do not need incentives or disincentives to appropriately zone for and approve new housing supplies. Council zoning and approvals are significantly outpacing industry’s capacity to deliver.</p>	<p>Recommendation 6: The LGAQ recommends the QPC abandons suggestions</p>

	<p>While councils have zoned for ~580,000 broadhectare lots and have approved ~100,000 residential lots, industry delivered just 15,176 lots in 2024. Furthermore, while councils have zoned for more than 1,000,000 infill homes and have approved ~180,000 multiple dwellings, industry delivered just over 10,000 multiple dwellings in 2024.</p> <p>This clearly demonstrates that councils are facilitating approvals to keep pace with current housing targets.</p> <p>Suggestions that councils should be subject to financial penalties for not meeting new land and housing targets (as outlined in the interim report) reflect a fundamental misunderstanding of the development ecosystem. The LGAQ urges the QPC to recognise broader external factors impacting construction productivity, including labour market constraints, supply change disruptions, interest rates, inflation, technological shifts, environmental and climate related challenges (e.g. extreme weather events and new standards in resilience and sustainability), community opposition to development expectations, changing consumer preferences, access to capital, insurance costs and infrastructure investment gaps etc.</p> <p>Planning systems enable, rather than directly deliver, housing, making penalties for unachieved construction targets fundamentally misdirected.</p>	<p>that councils should face financial penalties (as suggested in preliminary recommendation 10) for factors outside their control, in the context of overwhelming evidence that councils zoning and approvals are outpacing industry's capacity to deliver housing.</p>
Reporting	<p>The QPC should recognise that local government resources are already critically strained, and if not properly considered and supported, new reporting may further strain capacity and work against the objectives of the QPC.</p> <p>Accurate reporting, which fully captures the nuance of development assessment processes, would necessitate a significant increase in administrative burden and may detract resources (especially in smaller councils) away from development assessment. This 'fulsome reporting' would need to capture the 'full picture' of development assessment timeframes (including time spent by <i>proponents</i> to provide information), the complexity of development (including external factors such as infrastructure challenges outside councils' control) and need to balance productivity with vital considerations of community liveability, character, and amenity, which simplistic reporting may disregard.</p>	<p>Recommendation 7: The LGAQ recommends the QPC amends preliminary recommendation 10 in the Final Report, to remove the risk of placing significant administrative burden on councils and causing counter-productive outcomes.</p>
Interface Between Planning and Building Frameworks	<p>The interface between Queensland's Planning Act and Building Act is widely recognized as insufficiently integrated, leading to inefficiency, regulatory overlap, confusion, and in some cases, direct conflict.</p>	<p>Recommendation 8: The LGAQ recommends the QPC retains and strengthens preliminary recommendation 5 in the</p>

	<p>The LGAQ is a strong supporter of an independent review to resolve these inconsistencies, to prove clarity, alignment, and to streamline post-planning approval processes.</p> <p>However, to avoid repeating the misgivings of the interim report, it is essential that this review be led by a suitably qualified expert, with an understanding of the planning and building frameworks, in close collaboration with councils.</p>	<p>Final Report to 'commission an independent review' into the interface between planning and building frameworks, including a recommendation that this work be led by a suitably qualified expert in consultation with local government.</p>
PlanTech	<p>Notwithstanding that councils already assess almost all well-made development applications within statutory timeframes, across several councils the LGAQ has engaged with, planning technology (or 'PlanTech') is seen as an important opportunity to improve efficiency and transparency. Several Queensland councils have already begun gradually adopting digital planning technologies, but often require State and Federal Government funding to accelerate this transition. For example, Sunshine Coast Council has taken a proactive step in improving development assessment efficiency by securing Federal Government funding through the Housing Support Program to implement AI technology for development enquiries associated with low-risk residential development.</p> <p>Strategic investment from the State Government in PlanTech is seen by many councils as an opportunity to accelerate housing and infrastructure delivery, reduce costs, and enhance efficiency, engagement, and transparency, and should be considered further in the QPC's final report.</p> <p>This is consistent with the calls of Queensland councils through resolution #92 passed at the 2023 LGAQ Annual Conference calling on the State Government to:</p> <ul style="list-style-type: none"> a) Provide funding to support local governments to develop, implement and continually improve ePlanning tools and systems, as needed; and b) Work with local governments to integrate their existing ePlanning tools with State Government reviews and approvals of local planning instruments. 	<p>Recommendation 9: The LGAQ recommends the QPC works with councils to expand on and reinforce preliminary recommendation 8 in the Final Report to 'investigate digital planning and permitting technologies'.</p>
Energy Queensland's Enterprise Bargaining Agreement	<p>Through the LGAQ's engagement, councils have reinforced issues raised in the interim report regarding Energy Queensland's (EQ's) Enterprise Bargaining Agreement. Councils have noted that:</p> <ul style="list-style-type: none"> • Contractors and subcontractors are required to match EQ rates of pay and conditions when undertaking contestable works, placing unsustainable financial pressure on local providers. 	<p>Recommendation 10: The LGAQ recommends the QPC notes councils' response to information requested on Energy</p>

	<ul style="list-style-type: none"> • This requirement is anti-competitive, limiting participation to only those contractors willing to apply EQ's Enterprise Bargaining Agreement (EBA) conditions, reducing the pool of providers available to councils and developers. • The requirement will increase infrastructure costs, extend delivery timeframes, and complicate scheduling—ultimately hindering the delivery of affordable housing. • The impacts will be most severe in regional and remote areas, where workforce capacity is already limited. Local conditions, such as high rainfall and associated allowances, make these requirements particularly challenging in certain climatic zones. • Enforcing EQ's EBA on third-party contractors also creates inequity within local workforces, with employees working side-by-side under inconsistent pay and conditions. 	Queensland's Enterprise Bargaining Rates.
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