

28 August 2025

Productivity Commissioner and Chair
Queensland Productivity Commission
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George Street QLD 4003
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Dear Commissioner,

INQUIRY INTO OPPORTUNITIES TO IMPROVE PRODUCTIVITY IN THE QUEENSLAND CONSTRUCTION INDUSTRY

Thank you for the opportunity to make a submission in response to the inquiry into productivity improvement in the Queensland construction industry. The Gladstone Region Council (**the Council**) is a Bodies Corporate established under the *Local Government Act 2009*, with significant responsibilities under the *Planning Act 2016* and *Planning Regulation 2017* for the management of land use and development that reflects community needs, State interests and sustainable growth.

Like much of Queensland, our local families continue to report difficulties securing an affordable rental property. Some families are residing in motels, caravan parks or with family and friends due to lack of available and affordable rental properties across the region. Council strongly believes that the inquiry to improve productivity in the Queensland construction industry has the potential to help shift the dial in addressing the critical shortfall in available residential accommodation for families. However, council feels that the Interim Report lacks an evidence-based approach and suggests that council zoning and approvals are restricting housing supply, which there is overwhelming evidence to disprove.

Council strongly advocates that any recommendations do not come at the detriment of our local community's social fabric, cohesion and wellbeing. As the closest level of government to communities, local government must continue to play a key role in ensuring well-planned community outcomes, through local planning schemes.

1. Local Planning Instruments

Council acknowledges the complexity arising from the differences in local planning instruments across the State. This diversity reflects the unique needs of each community, and a balanced approach is needed to reduce complexity, while preserving the autonomy of local governments. We strongly advocate that Local governments are best placed to understand and regulate development in their communities.

2. Planning Act and Building Act Linkage

The lack of integration between Queensland's *Planning Act 2016* and *Building Act 1975* is a well-documented issue, resulting in inefficiencies, overlapping regulations, stakeholder confusion, and, at times, direct legislative conflict. Council is supportive of a review into the linkage and overlap between the two acts. Clarifying roles and responsibilities will improve efficiency and reduce confusion for applicants and assessors.

3. Infrastructure Charging Reform

Council supports a review of the infrastructure charging framework. The last major review in 2010/11 introduced a 'cap', which has since contributed to funding gaps in high-growth regional areas like Gladstone. These gaps place a financial burden on general ratepayers and may result in infrastructure charges that do not reflect actual trunk infrastructure costs. A reassessment is needed to ensure charges are equitable and sustainable.

4. Role of Private Certifiers

Concerns remain regarding the role of private certifiers in assessing dwelling houses. It is critical that certifiers assess developments against local planning regulations and enforcement mechanisms should be in place for non-compliance. Unlike planners, who consider broader community impacts, certifiers focus narrowly on construction outcomes for individual parcels of land. This distinction must be acknowledged in regulatory frameworks. Our council's experience with private certifiers is that they often miss fundamental planning scheme requirements.

5. Impact of Significant Housing Developments

Large-scale housing developments can significantly affect local communities through loss of natural habitat, increased traffic, and pressure on water and sewerage infrastructure. If local governments lose the ability to assess these impacts, any alternative assessment manager must engage meaningfully with councils to avoid negative outcomes. Additionally, mechanisms must be in place to prevent land banking, which can distort market prices and harm community interests.

6. Increased Densities

Council cautions against a one-size-fits-all approach to increasing housing densities. What may be appropriate in Brisbane CBD may not suit regional or rural towns. Local context must guide density decisions.

7. Housing Targets

Holding local governments accountable for housing targets is highly problematic when councils do not control the lodgement of development applications. Council zoning and approvals are significantly outpacing industry's capacity to deliver. Failure to meet targets may reflect market conditions or developer inactivity, not council inefficiency. The focus should remain on approving well-designed, liveable housing rather than meeting arbitrary quotas.

8. Reporting Requirements

Current reporting obligations already place a significant resource burden on councils. Any additional reporting requirements must be accompanied by appropriate resourcing.

9. Integrity of Planning Scheme and Amendments

Local government planning schemes are the most effective instruments for delivering well-planned outcomes. Alternative pathways that bypass these schemes or reassign assessment manager responsibilities undermine community expectations and create confusion. The State should enable councils to amend planning scheme overlay codes and related provisions more efficiently to support timely housing delivery.

10. Queensland Procurement Policy

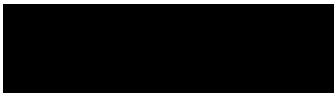
Council requests further detail on whether State Procurement Policies will apply to council-led capital works when funded wholly or partly by the state; clarification is needed regarding potential exemptions for certain projects. Councils must be informed, whether through funding agreements or value-based criteria, so they can plan and respond appropriately. There is potential value in developing online resources and toolkits to support local governments in adapting to State procurement policies. This could include online training for local government contracting teams and resources to familiarise staff with State procurement processes and requirements.

11. Statewide Consultation

Meaningful consultation must occur across the entire State, not just in SEQ. The interim report appears to be SEQ-focused and heavily influenced by the development sector. Council feels that greater representation from the local government sector is essential, especially in regional areas.

Thank you for the opportunity to participate in the inquiry, and for considering our submission. We look forward to the final recommendations and see industry and government work together to progress housing availability in the public interest.

Yours faithfully



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CHIEF EXECUTIVE OFFICER