



# **CFMEU**

## **CONSTRUCTION**

Queensland Productivity Commission

CFMEU Submission for QPC Interim  
Report: Opportunities to Improve  
Productivity of the Construction  
Industry

August 2025



# CFMEU Response to Queensland Productivity Commission's interim report on productivity in the construction sector

## Executive Summary

The Construction, Forestry and Maritime Employees Union (Construction and General Division) (the CFMEU) is the major union in the building and construction industry. The CFMEU has been a strong advocate for positive policy reforms to improve the construction industry. The CFMEU has a proud history in being at the forefront of the industrial system to improve workplace conditions, that have positive flow on effects to benefit the whole industry.

The CFMEU welcomes the opportunity to make a submission in response to the Queensland Productivity Commission's (QPC) interim report on productivity in the construction sector (the Report). However, the union is concerned that the Report is being used to attack the wages and conditions of Queensland construction workers, resulting in the undermining of safety on site and ensuring that the Queensland construction industry is unable to compete for construction workers with other jurisdictions across Australia.

The CFMEU has supported the BPIC procurement framework as a highly effective mechanism to embed best practice standards across major government projects in Queensland. The objectives of BPIC were to:

- a) Promote safe working conditions;
- b) A functional work/life balance;
- c) A comfortable standard of living;
- d) provide a framework that seeks to maximise productivity and minimise lost time through genuine communication consultation collaboration.<sup>1</sup>

BPIC addressed the financial pressures on construction firms to compromise on safety; removing the race-to-the-bottom economic incentives that punish good employers and reward those firms that cut corners on safety, have a history of non-compliance with their employment obligations and overall reduce the standard of the Queensland construction industry. Contrary to some of the commentary within the

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<sup>1</sup> Queensland Government (2024) *Standard Best Practice Industry Conditions – Building Construction Projects 2023 – 2027*, p. 13-14

Report, BPIC encouraged collaboration between workers and their employers on government projects, leading to increased productivity.

This submission is focused on the following areas of the Report:

- BPICs and the approach to procurement
- Work Health and Safety
- Workplace Consultation
- Occupational Licensing
- Labour Hire Licensing
- Occupational Licensing
- RDO Myths
- Apprentice and Trainee Shortages

The submission provides firstly provides a number of recommendations to the Queensland Productivity Commission, followed by a responses to a number of preliminary recommendations of the Report.

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## Introduction

The CFMEU welcomes the opportunity to provide this response to the Queensland Productivity Commission's interim report.<sup>2</sup> We wish to correct some of the misnomers surrounding productivity in the construction industry and provide policy recommendations that will enhance productivity, increase the construction workforce and enable the construction of the housing and infrastructure our state needs.

Productivity is a measure of how efficiently inputs are converted to outputs, usually measured through labour productivity of how much is produced by a worker per hour. In and of itself this seems like a relatively straightforward process – it's more efficient to work *smarter* not *harder* by increasing what workers produce within a period of time, not increasing the amount of time worked.

In the productivity debate however, productivity is often viewed as synonymous with business profits, and the emphasis is instead placed on working harder for less. This ideological approach is evident within the interim report, which views business profits as a good in and of itself, in which productivity-enhancing factors such as increasing the skills base, investment in technology, improving worker wellbeing and addressing gender segregations just automatically occur if firm profits increase. This is deeply naive – these outcomes can only be achieved through the implementation of specific policies. Yet, despite identifying the importance of many of these factors on productivity, the report seeks to undermine the very policies necessary to achieve them.

The Report approaches BPIC and the construction industry more broadly from the perspective of extreme free market economics. The Report assumes that policy objectives such as increased apprentices, greater environmental sustainability and better conditions for workers are 'achieved organically' by productive businesses.<sup>3</sup> According to the logic of the Report, there is no power dynamic in the employment relationship and financial incentive for businesses to reduce workers' wages, no need for workers to organise collectively and no need for Government to implement specific

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<sup>2</sup> Queensland Productivity Commission. (2025). *Interim report – Opportunities to improve productivity of the construction industry*. Queensland Government. <https://qpc.qld.gov.au/docs/construction-productivity/Interim%20Report%20-%20Opportunities%20to%20improve%20productivity%20of%20the%20construction%20industry.pdf> (cited as QPC (2025) in following footnotes)

<sup>3</sup> QPC (2025), p. 106

policies to achieve apprenticeship targets or gender quotas to increase the participation of women. The report then quotes the Civil Contractors Federation Queensland stating:

*‘Procurement policies should further consider that there really are no such thing as non-financial benefits that exist independent of financial benefits. Social benefits can occur organically, as a side effect of working towards financial benefits.’<sup>4</sup>*

Following this extreme logic, it is unnecessary for government to enact legislation for the public good and for the benefit of its citizens, all that matters is that businesses can increase their profit. The CFMEU fundamentally disagrees with the extreme right-wing agenda present in the QPC’s Report. It is the antithesis of Australian political culture and should be rejected. If implemented, the recommendations of the Report will be disastrous for the construction industry and the people of Queensland.

### Background to the release of the Report

In 2024 the newly elected LNP Government delivered on their election commitment announcing their intent to establish an independent Queensland Productivity Commission (QPC) as one of their first orders of business. The LNP had flagged the re-establishment of a Productivity Commission in Queensland as early as December 2023 as part of a pre-election commitment from opposition.<sup>5</sup>

From June 2024 the then Opposition Leader Hon. David Crisafulli had declared a new LNP Government would scrap Best Practice Industry Standards (BPIC’s) to address Queensland’s productivity challenges and to specifically reduce CFMEU influence on job sites.<sup>6</sup>

Once established the QPC was tasked in April of this year with undertaking a comprehensive review of Queensland’s construction sector with the terms of reference provided by Queensland Treasurer and Minister for Energy Hon. David Janetzki focusing broadly on increasing productivity in the construction sector to “...increase housing supply and improve housing affordability for Queenslanders, and allow the government to deliver infrastructure to meet the needs of a growing population.”<sup>7</sup>

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<sup>4</sup> Civil Contractors Federation Queensland, pers. comm., QPC (2025) p. 106

<sup>5</sup> The Liberal National Party, (2023, December), *The Right Priorities for Queensland’s Future*, accessed online: <https://www.lnp.org.au/wp-content/uploads/2023/10/LNP-The-Right-Priorities-for-Queenslands-Future-Dec-2023.pdf>

<sup>6</sup> Fellows, Taylor, (2024), *David Crisafulli vows to overhaul BPIC framework to curb CFMEU influence on big projects*, Courier Mail, accessed online: <https://www.couriermail.com.au/news/queensland/qld-politics/david-crisafulli-vows-to-overhaul-bpic-frame-work-to-curb-cfmeu-influence-on-big-projects/news-story/9b80e6cf772370598ff04fb117c4f13e>

<sup>7</sup> QPC (2025)

The Treasurer directed the QPC to deliver a full report within 6 months of his direction that contained ‘recommendations for reform to improve productivity without compromising quality and safety outcomes’.<sup>8</sup> However, although the Treasurer’s direction to the QPC referenced safety, the commission has taken a deeply ideological position, focusing on doing so by reducing regulations and cutting costs. From opposition, the Government has made it apparent that it views deregulation and cost reduction as the drivers of productivity in the construction sector.

Within weeks of taking office, the Government had released Treasury Department Modelling first reported in early November 2024 asserting that the Best Practice Industry Conditions would likely ‘...increase project costs by up to 25% and create a net economic cost of up to \$17.1 billion.’ This modelling has never been released to the public in the interests of transparency. Alarming, when the Courier Mail submitted a Freedom of Information request, the QPC provided a document that was fully redacted barring two sentences.<sup>9</sup>

Based on the CFMEU’s analysis of the Report, it appears that this claim is derived from a report commissioned by the MBA by QEAS, or at the very least heavily influenced by it.<sup>10</sup> In addition, QPC cites a report on BPICs by Tulipwood Economics commissioned by the Australian Institute for Progress that also appears to influence its interpretations of BPIC.<sup>11</sup> This report argues that BPIC conditions are “far more generous than in comparable overseas jurisdictions” such as the UAE, South Africa and Singapore, arguing Queensland should adopt the working conditions of these countries that experience thousands more deaths on site than Australia.<sup>12</sup> It is deeply alarming that a government body would endorse the figures of partisan reports that do not meet the most basic standards of quantitative analysis, and draws conclusions about BPIC and the CFMEU that are blatantly false.

Whilst there is evidence that productivity growth is slow in the construction sector, the Report fails to truly understand the issues at play. The Report adopts a right-wing

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<sup>8</sup> Queensland Productivity Commission, (2025, April), *QUEENSLAND PRODUCTIVITY COMMISSION ACT 2025 - Direction*, Section 38 DIRECTION accessed online: <https://qpc.qld.gov.au/docs/directions/terms-of-reference.pdf>

<sup>9</sup> Fellows, T, (2025, January 30), *Scrapped ‘CFMEU’ tax’s \$17bn saving a state secret*, Courier Mail, accessed online:

<https://www.couriermail.com.au/news/queensland/qld-politics/scrapped-cfmeu-taxes-17bn-saving-a-state-secret/news-story/161db385bf49e3ae627c9fe78839f0d0>

<sup>10</sup> QEAS (Queensland Economic Advisory Solutions) (2024), *Economic analysis of the impact of the CMFEU Queensland EBA on Queensland apartment construction prices*, Prepared for Master Builders Queensland.

<sup>11</sup> Tulipwood Economics 2024, *Easy Labour: Identifying construction cost drivers in Queensland*.

<sup>12</sup> McQue, K. (2022). *Up to 10,000 Asian migrant workers die in the Gulf every year, claims report*. *The Guardian*. Retrieved from <https://www.theguardian.com/global-development/2022/mar/11/up-to-10000-asian-migrant-workers-die-in-the-gulf-every-year-claims-report>

ideological position to issues in the construction industry. As a result, the Report often draws conclusions that would actively undermine productivity in the construction sector, mistaking corporate profits for productivity. In reality, productivity in the construction sector is complex and driven by numerous factors including the fragmentation of the industry, lack of investment in skills and training, poor management of worksites, poor communication and trust, low levels of worker wellbeing, lack of capital deepening, job insecurity and high levels of gender segregation.

The national Productivity Commission (PC) released a research paper in 2025 that found many other advanced economies had seen a reduction in productivity in construction over the last 30 years.<sup>13</sup> Labour productivity in house construction has fallen by 25% since 2001-02 while, in contrast, labour productivity in higher-density housing construction – townhouses, units, and apartments – increased by 5% over the period, including a short period of rapid productivity growth between 2005-06 and 2013-14.<sup>14</sup> It is important to note that the areas of construction with higher rates of productivity align with areas of CFMEU coverage and density, with the un-unionised single residential sector having the lowest productivity within the industry.

The CFMEU seeks to provide clarification to some of the arguments made in the Report and provide positive recommendations for the benefit of both the construction industry and the people of the state of Queensland.

## Recommendations

### *Recommendation One*

BPIC should be reinstated to ensure public money delivers good secure jobs. Alternatively, a new procurement code should be implemented that ensures government purchasing power is used to improve labour standards and best practice employment. Public money should be given to businesses that operate to a high ethical standard, not used to undercut these businesses in a race-to-the-bottom due to a narrow and misguided understanding of “value for money”.

- The procurement code must ensure that businesses with a history of work health safety law contraventions and breaches of the Fair Work Act do not receive government contracts
- The procurement code should include quotas for apprentices and women on government projects to improve gender equality and address gender segregation

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<sup>13</sup> Productivity Commission. (2025, February 16). *Housing construction productivity: Can we fix it?* (Research paper). Commonwealth of Australia. Accessed online:

<https://www.pc.gov.au/research/completed/housing-construction/housing-construction.pdf>

<sup>14</sup> Productivity Commission. (2025, February 16). *Housing construction productivity: Can we fix it?* (Research paper). Commonwealth of Australia. Accessed online:

<https://www.pc.gov.au/research/completed/housing-construction/housing-construction.pdf>

in the construction industry

- Best practice firms that invest in new technology, training for their workforce, provide secure and safe employment for Queenslanders and comply with industrial law should be prioritized for Government contracts. These firms are also the most productive, focusing on investment as opposed to cutting corners.
- Without a procurement code such as BPIC, Queensland risks top firms pulling out of the state, favouring other Australian jurisdictions with procurement codes that do not cause a race-to-the-bottom on conditions. Without these leading builders with the expertise to complete major infrastructure projects, Queensland will be reliant on firms who lack the experience and capacity to complete work within timeframes. In addition, many construction workers will leave Queensland in search of better wages and conditions in other states, exacerbating the skills shortage.

#### *Recommendation Two*

Continue to include enforceable wet weather and heat policies with any procurement code to ensure preventable deaths and injuries do not occur on Queensland construction sites

#### *Recommendation Three*

Ensure that safety on construction sites is not undermined and do not implement any caps on HSRs.

#### *Recommendation Four*

Support the essential role of union officials to represent workers on site

#### *Recommendation Five*

Support the RDO system, essential to ensuring wellbeing on site, a major driver of productivity

#### *Recommendation Six*

Reject calls to disband the labour hire licencing scheme in Queensland

#### *Recommendation Seven*

Support the occupational licensing scheme as a driver of productivity

#### *Recommendation Eight*

Expand investment in skills and apprentices to ensure a pipeline of skilled local workers. Include apprentice quotas within any new Queensland procurement code, as was found in BPIC to ensure that apprentice and trainee rates do not go backwards.



*Recommendation Nine*

Release any calculations or modelling done by the Queensland Productivity Commission on BPIC for public scrutiny. Transparency is essential to good government.

## Response to the Preliminary Recommendations of the Report

The CFMEU supports the Government's investment in building the infrastructure and housing Queensland needs, including Olympic infrastructure, major hospital projects and other critical infrastructure. These projects should provide safe and secure jobs for Queenslanders.

The CFMEU rejects any attempts to reduce or remove standards that protect both the workforce and local communities because without safe, secure and skilled workers there is no construction industry in Queensland.

There are a number of assertions or recommendations within the QPC Report that need to be challenged. The report misunderstands the structure of the Queensland construction industry and makes a number of recommendations that would reduce productivity rather than enhance it.

### BPIC and the importance of procurement

BPIC was a procurement code intended to reduce the economic incentives on firms that drive a race-to-the-bottom approach to tendering, instead taking the view that public money should deliver best practice outcomes, going to those firms that operate at the highest standard. It did this by encouraging just labour conditions and supporting secure and safe jobs, improving safety in the construction industry and improving apprentice and trainee uptake and completions. Whilst BPIC followed an industry standards procurement model, procurement codes in Victoria and the ACT also have procurement codes with similar goals.

### Inaccuracies in the Report in relation to BPIC

The report misunderstands the interaction between BPICs and EBAs. The Report states that BPIC conditions are found on non-government projects because contractors are required to provide these provisions to all their workers.<sup>15</sup> These conditions are applicable across the workforce because these workers collectively organise for their conditions to be regulated by an EBA. This is how the Australian enterprise bargaining system works – across all Australian jurisdictions and across industries. These same

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<sup>15</sup> QPC (2025) p. 17

Tier 1 contractors mentioned in the Report have EBAs with the CFMEU (and other unions) in every state and territory. The impact of BPIC is that it provides certainty, as it ensures the workplace arrangements from an EBA operate for the life of a project. This means that bargaining does not occur once a project has commenced, meaning that a project is not disrupted by protected industrial action.

As mentioned above, the Report does not provide its modelling or calculations for transparency or to allow its validity to be tested.<sup>16</sup> The Report contains a number of inaccurate statements in relation to the operation of BPICs. As an example, the Report claims that BPIC caused 50% of project delay costs and 33% of project cost increases.<sup>17</sup> BPIC-like conditions are assumed to contribute to 50% of project delay times in high-rise residential construction, with no apparent basis for that assumption. This claim is made despite the fact that BPIC applied only to major government commercial projects.

This figure is taken from a report by QEAS Economics – a report that does not meet the most basic accepted standards of qualitative or quantitative research. The QEAS Report, commissioned by the MBA, draws blatantly false conclusions, and does not compare CFMEU EBAs to lawful non-union employment practices.<sup>18</sup> In the best-case interpretation of the QEAS report, it's comparing union sites to an employer's fantasy. The alternative is that employers have revealed their unlawful employment practices in the development of the report and that this forms the basis of the "non-EBA" practices. The QEAS report appears to advocate for breaches of industrial and WHS law.

The QEAS Report refers to low, medium and high application of the CFMEU EBA but does not explain what this means. This terminology is then used by the QPC in the Report in their analysis of BPICs. The QPC Report includes This is non-sensical – one cannot choose what elements of a legally enforceable document you want to apply and which you do not. Given the QPC adopts the terminology of "Low Scenario" and "High Scenario" in their assumptions, it can therefore be concluded that that the QPC's calculations are based on practices that contravene the Fair Work Act, are below the Award minimums, contravene Work Health and Safety legislation and encourage firms to misrepresent project costs in their tender applications to increase profits.<sup>19</sup> The "high scenario" impact of BPICs contains a number of untrue assumptions, based on a complete misunderstanding of the operation of BPICs, how legal instruments are interpreted and how the construction industry functions:<sup>20</sup>

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<sup>16</sup> QPC (2025) p. 283

<sup>17</sup> QPC (2025) p. 296

<sup>18</sup> QEAS Report

<sup>19</sup> QPC (2025) P. 296; QEAS Report

<sup>20</sup> QPC (2025) p. 287

- Calculating days lost due to BPIC by comparison to a scenario in which construction workers would be required to work 6 days a week every week of the year, unable to take RDOs and required to work through the Christmas shut down.
- CFMEU EBA conditions include the ordinary hours of work at 36 hours per week (7.2 per day) between 6am to 6pm Monday to Friday. The comparable Award<sup>21</sup> has ordinary working hours on a 38-hour week between 7am and 6pm Monday to Friday. Overtime is not usually more than 50 hours a week and not more than 10 hours per day Monday to Friday, with workers able to refuse excessive overtime or Saturday work. Additional hours are allowed if operationally necessary with agreement from workers. QEAS assumes that construction workers should be required to work 10-hour days, six days a week – hours that are clearly excessive for manual labour. This would be a breach of industrial instruments.
- The report assumes that workers should not take RDOs (26 RDOs are accrued in CFMEU EBAs and 13 are accrued under the Award, by working additional hours that would otherwise be paid as overtime).
- Assumes union meetings occur for 2 hours, in the middle of the day, twice a week. In reality, union meetings occur at the beginning of the day, to cause the least disruption and only when necessary. This exaggeration in no way reflects the reality of the construction industry.
- Claims union involvement on construction sites decreases productivity whilst providing no evidence. This is despite extensive academic research to the contrary, where unions are found to enhance productivity.<sup>22</sup>
- The report counts days when a site is shut down due to a worker's death as days lost due to union activity. the report takes the specific circumstance of the death of a worker on the cross-river rail project, that resulted in a site shut down due to unsafe conditions immediately following the workers death, and unilaterally applies this to all union projects in Queensland in its calculations.
- It is assumed that if it rains, all work ceases on site, despite this not being a BPIC conditions.

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<sup>21</sup> MA000020 Building and Construction General On-site Award 2020

<sup>22</sup> Stanford J. (2025) *Productivity in the Real World: What it is, what it isn't, and how to make it work better for workers*. The Australia Institute; Barbosa, F., Woetzel, L., Mischke, J., Ribeirinho, M. J., Sridhar, M., Parsons, M., Bertram, N., & Brown, S. (2017, February 27). *Reinventing construction through a productivity revolution* (Report). McKinsey Global Institute. <https://www.mckinsey.com/capabilities/operations/our-insights/reinventing-construction-through-a-productivity-revolution>, p. 113; Svarstad, E., & Kostøl, F. B. (2022). Unions, collective agreements and productivity: A firm-level analysis using Norwegian matched employer–employee panel data. *British Journal of Industrial Relations*, 60(4), 864–894. <https://doi.org/10.1111/bjir.12662>; <sup>22</sup> Farmakis-Gamboni et al. (2014) “Productivity and innovation in enterprise agreement clauses: an overview of literature, data and case studies at the workplace level” *The Fair Work Commission*. P. 62; Ahmed, M. S., & Mertzanis, C. (2025). Right-to-work laws and firm productivity in U.S. firms. *Industrial Relations Journal*, 56(4), 301–321. <https://doi.org/10.1111/irj.12468>

- Attributes air quality standards to BPIC, despite the fact that the Queensland Health guidance applies to all workplaces.
- RDOs are assumed to be inflexibly applied, despite flexibility clauses in relation to RDOs existing in CFMEU (and other union) EBAs.
- Claims that “high scenario” of BPICs would lead to 20% longer construction times without evidence.
- Concludes that ceasing work due to extreme heat unnecessarily impact productivity. The report therefore advocates for workers to work in unsafe conditions that expose them to the risk of death and work through hot weather. Construction workers die from heat stroke, with a fatality happening this year. These report advocates for these essential safe work controls to be removed.
- BPIC-like conditions are assumed to prevail in all parts of the construction industry. No basis is provided for that assumption.<sup>23</sup>

It is unacceptable that a government body provide recommendations based on assumptions that contravene Australian law.

## Work Health and Safety

### WHS and BPICs

The construction industry is one of the most dangerous in the country with Safe Work Australia reporting that ‘...the number of fatalities in the Construction industry in 2023 (45) was 36% higher than the 5-year average for this industry’.<sup>24</sup> The CFMEU strongly opposes any recommendations that would risk the safety on Queensland construction workers. Unsafe sites are unproductive sites. Poor productivity and unsafe practices reinforce each other; cutting corners to save time or money often increases accidents, which then cause further delays. Unions are essential to ensuring safety in the construction industry. Research has shown that construction sites with CFMEU safety representatives have less hazards on sites, less serious injuries, were more likely to have undertaken appropriate risk assessments, were better informed on safety standards and less likely to be issues with improvement notices by safety regulators compared to sites with no union safety representation.<sup>25</sup>

The Report makes a number of incorrect assumptions in relation to the relationship between BPIC and safety on construction sites. It assumes that safety conditions delivered through BPICs above statutory minimums are a net cost to the industry and the

<sup>23</sup> QPC (2025), p. 300; Analysis on QEAS report

<sup>24</sup> Safe Work Australia. (2024, September 2). *Key Work Health and Safety Statistics Australia* [Interactive data dashboard]. Our Data. Your Stories. <https://data.safeworkaustralia.gov.au/insights/key-whs-statistics-australia/latest-release#heading1>

<sup>25</sup> Underhill et al. (2016) “Evaluating the role of CFMEU OHS representatives in improving occupational health and safety outcomes in the Victorian construction industry: Interim Report” Deakin University

community. Its underestimates the costs associated with injury and death, including only the median compensation claim reported by SafeWork Australia. The report also misses the negative impact poor wellbeing has on productivity. Research by Oxford Economics estimated that productivity cost of work-related injuries/illnesses in the construction industry in 2018 to 2019 was \$4.2 billion.<sup>26</sup>

There has also been significant criticism of the wet weather and heat policies included in BPIC's with the inference being that workers are citing mild discomfort to leave work. This is a gross mischaracterization of the processes and indeed the seriousness of the issue. BPIC policy addresses the risk of injury and death from exposure to heat stress in the construction industry by setting an industry standard for the cessation of work in extreme heat. The BPIC requirement is that work be largely or wholly ceased when the site temperature reaches 35°C or site temperature reaches 29°C at 75 per cent humidity. This policy was in response to the recommendations made by the coroner in relations to the 2013 death of construction worker Glenn Newport near Roma in Queensland's southern inland.<sup>27</sup> At extreme temperatures, there are no controls that can adequately minimise the risk of death other than ceasing work. BPIC provided clear guidelines for employers to follow to minimise the risk of heat when appropriate and when to cease work when necessary.<sup>28</sup> Repealing this policy will undoubtedly result in more deaths of Queensland construction workers.

### Proposed broader reforms to Queensland WHS regime

The Australian Workplace Health and Safety regime is world leading.

The Report's overarching view of WHS matters is highly ideological, with WHS legislation viewed as a hinderance to business, and that safety issues raised by workers and their unions should be treated with suspicion from the outset. Paradoxically, the Report assumes that if a safety incident involving a worker did not occur, because of the actions of an HSR or a union official through a WHS right of entry to take the appropriate steps to mitigate risk, this is therefore evidence of the misuse of the WHS regime by unions, rather than an example of its success.<sup>29</sup> According to this logic therefore, any action by an HSR or union official to prevent safety risks to workers is merely an action to reduce productivity. The alternative scenario in which a worker is injured or killed is not considered. Despite the body of evidence of businesses contravening WHS regulations,

<sup>26</sup> Crook, D., & Tessler, A. (2021, May). *The Cost of Doing Nothing Report*. BIS Oxford Economics for the Construction Industry Culture Taskforce. Retrieved from <https://cict.mymedia.delivery/wp-content/uploads/2021/05/The-Cost-of-Doing-Nothing-Report.pdf>

<sup>27</sup> Briggs, C. (2016). *Coroner calls for temperature threshold to stop outdoor work in extreme heat*. ABC News. Retrieved from <https://www.abc.net.au/news/2016-04-20/coroner-calls-temperature-threshold-to-stop-outdoor-work-heat/7342464>

<sup>28</sup> Fatima, S. H., Rothmore, P., Giles, L. C., & Bi, P. (2023). Impacts of hot climatic conditions on work, health, and safety in Australia: A case study of policies in practice in the construction industry. *Safety science*, 165, 106197.

<sup>29</sup> QPC (2025), p.117

the Report assumes that all businesses in the construction industry are at all times complying with WHS rules, that no businesses are operating in bad faith and that the financial incentives that lead some employers to cut corners on safety do not exist.<sup>30</sup> This conclusion is in contrast to a significant body of research on WHS regulation and the success of the Australian WHS system.<sup>31</sup> As such, the Report makes a number of recommendations designed to limit union presence in construction, despite the negative impact these would have on safety outcomes for Queensland construction workers.

Firstly, HSRs are highly effective at improving safety on site. The Report's recommendation to restrict the number of health and safety representatives or worker representatives in such environments would seriously compromise safety in an industry that is already high-risk.<sup>32</sup> This proposal also fails to explain how safety issues on a large, complex and dangerous project will be advanced in the event that the single HSR representative takes scheduled or unscheduled leave.

Secondly, the Report recommends the review (and restriction) of the ability of permit holders – union officials – to enter sites in relation to WHS matters.<sup>33</sup> Some employers put workers at risk by ignoring safety protocols and bypassing HSRs or safety committees, creating a culture where concerns cannot be raised. In these cases, where effective onsite safety structure do not exist, access to a permit holder is crucial to ensure worker safety. Preventing or delaying permit holders from accessing construction sites can also lead to unsafe practices being hidden, putting workers at greater risk.

## Workplace Consultation

Workplace consultation and worker voice and enhance productivity on site. level. Recent research on collective bargaining and firm performance argued that:

*'Union[s] can be also seen as a mechanism that enforces implicit agreements between firms and workers — in other words, as a substitute for legal contractual*

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<sup>30</sup> Robertson, J. (2025). *Meriton flouted government orders, safety officer blows the whistle*. ABC News. Retrieved from <https://www.abc.net.au/news/2025-02-12/inside-meriton-billion-dollar-gold-coast-iconica-project/104703324>; Blucher, A. (2017, March 20). *QBCC cancels more licences of builder facing manslaughter charge*. ABC News. Retrieved from <https://www.abc.net.au/news/2017-03-21/qbcc-cancels-more-licences-of-builder-facing-manslaughter-charge/8372760>; WorkSafe Queensland. (2022). *Workers killed by mobile plant* [Incident alert]. WorkSafe Queensland. <https://www.worksafe.qld.gov.au/news-and-events/alerts/incident-alerts/2022/workers-killed-by-mobile-plant>

<sup>31</sup> Underhill, E., & Quinlan, M. (2011). How precarious employment affects health and safety at work: the case of temporary agency workers. *Relations industrielles*, 66(3), 397-421; Gallagher, C., Rimmer, M., & Underhill, E. (2001). *Occupational health and safety management systems: A review of their effectiveness in securing healthy and safe workplaces*. National Occupational Health and Safety Commission; Underhill, E., & Quinlan, M. (2011). Beyond statutory enforcement—alternative approaches to improving OSH in the temporary agency sector. *Policy and Practice in Health and Safety*, 9(2), 109-131.

<sup>32</sup> QPC (2025), p 221

<sup>33</sup> QPC (2025), p 221



*enforcement — and can be used to promote more efficient practices ... In sum, unions can play an important and significant role as commitment devices.*<sup>34</sup>

Consultation provisions and the presence of union delegates on site enhance collaboration between workers and employers, allowing issues to be discussed and solved. This is particularly important in construction due to its project-based structure in which multiple firms, contractors, sub-contractors, workers across different trades are all present on site. Managing this is complex, and union delegates are an important component in successfully regulating a construction site. However, the Report takes a negative view of this dynamic, with the view that BPIC's allowed 'union delegates significant powers on building sites, including powers to call site meetings, cease work due to safety concerns and review building material and employment records to ensure compliance with the policy.'<sup>35</sup>

The role of CFMEU delegates on site ensure standards are enforced and workers' concerns are heard in real time. Their presence helps prevent unsafe practices and promotes accountability among employers. The framing of the role of union delegates in the Report is another example of the right-wing ideological underpinning of the report, that does not recognise the legitimate role of union delegates as elected representatives of organised labour.

## Labour Hire Licensing

The Report recommends that the requirement for labour hire licensing be reconsidered.<sup>36</sup> This would put Queensland out of step with other Australian jurisdiction, encourage the activities and influence of bad faith actors including organised crime, reduce job security in the construction industry, increase the frequency of underpayments of workers, undermine safety on worksites and reduce productivity.

Researchers have found that insecure work such as labour hire undermines productivity long term as it undermines workers' engagement, encourages absenteeism and limits opportunities to gain new skills.<sup>37</sup> Precarity undermines the effectiveness of policy frameworks designed to improve productivity, hindering capacity for workers to collaborate, upskill, reducing wellbeing, undermining work health and safety and embedding gendered inequalities. Insecure work is a problem across the construction industry, with almost 30% of construction and mining labourers and 16% of construction

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<sup>34</sup> Laroche, P. (2021). Unions, collective bargaining, and firm performance. In *Handbook of Labor, Human Resources and Population Economics* (pp. 1-27). Cham: Springer International Publishing.

<sup>35</sup> QPC (2025) p. 112.

<sup>36</sup> QPC (2025) p 224

<sup>37</sup> Wu, C.-H., Wang, Y., Parker, S. K., & Griffin, M. A. (2020). Effects of chronic job insecurity on Big Five personality change. *Journal of Applied Psychology*, 105(11), 1308–1326.  
<https://doi.org/10.1037/apl0000488>

trade workers are engaged in labour hire positions rather than direct employment.<sup>38</sup> The Australian construction industry has a high reliance on outsourced services (including labour hire), at a ratio that is increasing: Almost 47 cents in every dollar spent by a construction company goes to outsourcing services, including labour hire for skilled trades workers.<sup>39</sup> This money is not spent investing in a business, whether through the upskilling on their own workforce or on innovation, research or development.

The former Queensland Labor Government introduces the labour hire licensing scheme in response to an inquiry into the industry. The inquiry's report 'identified substantial evidence of labour hire practices which were not compliant with workplace laws and other regulation applicable to the engagement of labour hire workers (eg tax, superannuation and migration legislation).'<sup>40</sup> The inquiry:

*'...heard evidence of the 'undercutting' of employment conditions by labour hire companies, in the form of underpayment of award wages; unsafe working conditions; the non-payment of tax, superannuation and workers' compensation premiums; and 'sham contracting' (disguising employment arrangements as independent contracting).'*<sup>41</sup>

The QPC Report ignores this evidence, referring to the 'benefits' of labour hire, without providing evidence of these apparent benefits, or addressing the negative impact of labour hire on workers, and its negative impact on productivity. Instead, labour hire licencing is referred to as a 'cost' because it can provide higher wages and better conditions for workers.<sup>42</sup> The CFMEU supports the Queensland labour hire licensing model.

## Occupational Licencing

The Report recommends that the Occupational Licencing requirements be reviewed, with the intention of removing them.<sup>43</sup> The CFMEU does not support this recommendation, and suggests that this would in fact negatively impact productivity in construction as it would undermine the skills base and safety standards. Occupational licensing is important to ensure that safety standards are understood and complied with across the industry. They are also important from a build quality perspective. Licensing is

<sup>38</sup> Master Builders Australia. (2020). *Facts & stats on how building supports the economy*. Retrieved July 24, 2025, from <https://masterbuilders.com.au/facts-stats-on-how-building-supports-the-economy/>; ABS 6338.0 Labour hire workers, December 2024

<sup>39</sup> Infrastructure Australia (2024) *Infrastructure Market Capacity 2024 Report*. Retrieved from <https://www.infrastructureaustralia.gov.au/2024-infrastructure-market-capacity-report>

<sup>40</sup> Forsyth, Anthony. (2019). Regulating Australia's 'gangmasters' through labour hire licensing. *Federal Law Review*, 47(3), 472

<sup>41</sup> Forsyth, Anthony. (2019). Regulating Australia's 'gangmasters' through labour hire licensing. *Federal Law Review*, 47(3), 472

<sup>42</sup> QPC (2025), p. 35

<sup>43</sup> QPC (2025) p, 54



an important tool to determine that builders have undertaken the training necessary to complete the relevant building work. Construction requires highly skilled work that should be completed by a trained professional, not an untrained person who has called themselves a builder. Policies that encourage upskilling and education enhance productivity rather than hindering it.

## RDO Myths

The Report makes a number of incorrect assertions about the use of RDOs under BPIC and the construction industry more broadly.<sup>44</sup> Firstly, 26 RDOs are standard conditions in CFMEU EBAs (and present in other union EBAs) nation-wide, whilst 13 RDOs are standard under the Award minimums. RDOs are accrued by working additional hours that would otherwise be paid at the overtime rate. RDOs are essential to managing fatigue in an industry that involves hard physical labour and long work hours. The Report claims that RDOs inhibit productivity because they require full site closures – this is incorrect.

RDO calendars are designed to ensure that workers are able to have days off at regular intervals to manage fatigue and promote work life balance. In CFMEU EBAs, these dates are able to be changed, or work conducted during an RDO, as long as the impacted workers are consulted. The CFMEU believes that blue collar construction workers should have a say on when they get to take an RDO that they earned by working additional hours.

In addition, the Report does not consider that many roles on site require a team to do. As such, it makes sense from a scheduling (and productivity) perspective for these workers to have the same days off, as their role requires them to work collectively.

## Apprentice and Trainees

Increasing the numbers of apprentices and trainees in the construction industry is essential to meet the infrastructure and housing targets and to improve productivity in the sector. Recent national modelling by Build Skills Australia suggested that to meet these policy ambitions would require a construction workforce of nearly 2.5 million workers by the next decade. If we rely solely on a business-as-usual approach of normal net flows into the sector, we will face a deficit of more than 10% over the next decade.<sup>45</sup>

The CFMEU supports the QPC's recognition of the importance of apprentices and trainees to the industry.<sup>46</sup> As the Report notes, apprentice and trainee commencements are 40% higher now compared to pre-Covid rates. Additionally, across the majority of construction apprenticeships as a proportion of total workforce, Queensland has a higher proportion of apprentices compared to other states and territories.<sup>47</sup> The Report

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<sup>44</sup> QPC (2025) p, 283

<sup>45</sup> Build Skills Australia (2024) *Shaping the Future of the Build Environment: 2024 Workforce Plan*. P. 8

<sup>46</sup> QPC (2025), p. 230

<sup>47</sup> QPC (2025), p. 230

further acknowledges that BPIC had apprenticeship quotas that mandated large government projects must ensure that 15% of hours were undertaken by apprentices and trainees. Despite the data discussed in the Report, QPC concludes it is ‘unclear’ how effective BPIC was in increasing apprenticeship rates. The CFMEU contends that based on the Report’s own data it is clear that BPICs’ quota system had a material positive impact on apprentice rates. This is another example of the Report making recommendations that would undercut the capacity of the Queensland construction industry. The CFMEU strongly supports the apprentice and trainee quota system within BPIC.

## Site Management Accountability

The suggestion that good wages and conditions being modelled across the industry are a direct cause of productivity challenges is again a fundamentally misguided premise. Good sites work when they are run well.

Communication and consultation are crucial to ensuring that contractor and sub-contractors are able to work to the production schedule, in line with the requirements of the industry standards or EBA that the site is operating under. In their report on productivity in the construction industry globally, McKinsey and Company argued that poor management is a barrier to productivity:

*‘Managing work on-site is a complex and dynamic challenge often left to superintendents and foremen who may not have the necessary education, training, and tools to do their jobs effectively. Compounding the problem is the belief among many managers that workers do not want to work efficiently, leading to the adoption of approaches that often result in unintended consequences.’<sup>48</sup>*

More accessible training and mentoring should be provided to ensure site management and contractors on projects of all size and experiences are supported to manage projects well. Blaming wages and conditions for broader productivity issues is lazy and distracts from the systemic reform that is needed.

## Conclusion

The QPC should abandon its adherence to right-wing ideologies and engage with the construction industry holistically, collaborating with industry, unions, academics, consumers, regulators, workers and businesses. It should engage with evidence-based policy analysis to come up with solutions that bring benefits to all sectors of the

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<sup>48</sup> Barbosa, F., Woetzel, L., Mischke, J., Ribeiro, M. J., Sridhar, M., Parsons, M., Bertram, N., & Brown, S. (2017, February 27). *Reinventing construction through a productivity revolution* (Report). McKinsey Global Institute. <https://www.mckinsey.com/capabilities/operations/our-insights/reinventing-construction-through-a-productivity-revolution>, p. 86.

construction industry. Improving productivity in the construction industry is a complex task, requiring policy makers to negotiate competing priorities and the at times conflicting positions of participants. The CFMEU hopes such a process can be implemented to achieve positive outcomes for the people of Queensland.



# **CFMIEU**

## **CONSTRUCTION**

Queensland Productivity Commission

Additional submission to provide  
further information on industrial  
instruments and procurement



# **CFMIEU**

September 2025

# Additional CFMEU Submission on QPC Interim Report on the Construction Industry

The CFMEU welcomes the opportunity to provide additional feedback and clarification to the QPC on the interim report “Opportunities to Improve Productivity of the Construction Industry”. In the CFMEU’s view there are errors in the assumptions made by the QPC in their analysis of BPIC that distort the findings within the report. We seek to clarify how a number of the provisions in BPIC operate practically on site. We note that this submission relates to the elements of BPIC within the CFMEU’s coverage.

## What should BPIC conditions be compared to?

***Wages and conditions on major government projects are determined by EBAs, not the Award or “industry” averages***

The Report outlines that the model ‘incorporates several assumptions’, the first being ‘all impacts are measured against a counterfactual, which is a world without BPICs’.<sup>1</sup> The issue with this is that the theoretical scenario in which BPICs is compared to is not based in reality, and does not reflect how the construction industry operates. The model compares BPIC wages and conditions to the Award and the “industry standard”. The report does not provide a full account of what it means by industry standard, beyond referencing stakeholder feedback and ABS median hourly earning for construction trade workers. This is itself an issue as this data incorporates the construction industry as whole, from cottage residential that is predominantly award reliant to major projects, when there is very limited interaction between these sub industries and they should be considered as distinct industries in their own right in any analysis of the construction industry.

Crucially, to actually analyse the effects of BPIC, it must be compared with the conditions on major government projects in Queensland prior to the introduction of BPICs in 2018 and with major government projects in other Australian states and territories. In other words, compared to the pre-existing industrial arrangements of the industry. This can easily be achieved by looking at previous Queensland EBAs of tier 1 builders prior to 2018 and current union EBAs nationally, in conjunction with relevant procurement codes. Tier 1 builders are realistically the only businesses with the capacity, knowledge, skills and financial resources to successfully bid for major government projects. The same builders win the vast majority of government tenders pre and post BPICs, and in other jurisdictions in which BPICs was never implemented. In this space, wages and conditions are determined by EBAs (predominantly but not exclusively union EBAs), not the Award.

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<sup>1</sup> QPC (2025) p. 285

Award-reliant workers are not a feature of this market. Therefore, to compare BPICs to the Award is to compare it to a scenario that does not and will not exist.

In its analysis of the impacts of BPICs, the Report notes that ‘BPIC-like provisions are now embedded in EBAs until mid-2027 for most Tier 1 contractors and for many subcontractors who undertake work on government projects.’<sup>2</sup> In its analysis of these provisions, the Report is conceptualising the *horse before the cart* – the conditions found in BPIC are based on the conditions that were in Tier 1 and major subcontractor union EBAs in Queensland prior to 2018 (and reflected across other jurisdictions also), and would therefore naturally continue to exist in EBAs with the suspension of BPICs. BPIC simply reflected what was found within industrial instruments into a procurement code, it is not the source of these conditions. This is an important distinction because the Report attributes provisions to BPIC that are in fact considered industry standard in major commercial and government projects.

In addition, the Report states that because Tier 1 contractors and major sub-contractors must have an EBA that is compliant with BPIC to be eligible for government work, ‘by default, these contractors are also required to provide these provisions to their workers across all projects, regardless of whether they are government projects or not.’<sup>3</sup> But this is how the enterprise bargaining system works – firms do not bargain for a new EBA for every worksite they are present on, they collectively bargain and negotiate with relevant union(s) (usually at the state level), and those conditions apply to their workforce across that jurisdiction. This is how the system has worked since the introduction of enterprise bargaining in the 1990s, and how it works across other jurisdictions. If BPIC did not exist, the wages and conditions of a Tier 1 builder’s (such as Lendlease, Hutchinsons, John Holland or Multiplex) workforce in Queensland would be determined by the same EBA, for both commercial and government projects.

To illustrate this, we have compared the wages of a carpenter at the CW3 level employed by Hutchinsons (a Tier 1 Builder) in Queensland prior to BPIC (wages at the 2017 rate, noting increases over the life of the agreement), under BPIC conditions and in the current Hutchinsons EBA in Victoria.

Provisions CW3 Carpenter	Hutchinsons QLD as per 1/7/2017	BPIC as per 01/07/2023	Hutchinsons Victoria Current
Hourly Rate	43.41	54.12	59.25
Travel Allowance - Daily	45	60	54.5
Income Protection	31.7	51	32

<sup>2</sup> QPC (2025) p. 112

<sup>3</sup> QPC (2025) p. 112

<b>Multi-Storey Over 15 Floors - Per Hour</b>	1.49	1.72	0.82
<b>Site Allowance - 300m</b>	5	5	5.25
<b>Redundancy Payments</b>	105	126	160
<b>BERT Welfare</b>	13.5	20	0.95
<b>Total Renumeration</b>	2371.2	2930.6	3078.25
<b>RDO's</b>	26 - Emergency Works Clause	26 - Emergency Works Clause	26 - Emergency Works Clause
<b>Weather</b>	Award	35 Degrees	35 Degrees
<b>Meetings</b>	Up to 2, 2 hour meetings per shift with written notice. s32.9	A single, 2 hour meeting with notice.	1 toolbox per month

This table is not an exhaustive list of conditions, rather reflects the provisions highlighted by the QPC in its analysis. Note the calculations of the BPIC wages are higher than the QPC analysis at a CW3 rate, because this refers to a carpenter for the sake of a fair comparison across EBAs, whereas the Report appears to have averaged the CW3 rate across all trades or used a similar method to produce their hourly rate. Note this table has omitted meal allowances, the distinction between double time and time and a half across agreements and rising superannuation contributions that add additional costs. The calculations are adjusted to a 40-hour week to account for the use of RDOs.

This table shows how BPIC conditions are inline with the wages on a Tier 1 builder in Queensland prior to 2018 and current wages in another state, the differences reflecting the annual wage increases and inflation. It is important to note this is only two EBAs, and there is variation in rates of pay and conditions amongst Tier 1 builders and variation across jurisdictions for the same builder. As such we recommend more comprehensive analysis of these EBA conditions.

Therefore, the CFMEU strongly urges the QPC to reconsider its modelling on BPIC and compare BPIC wages and conditions with pre-2018 Tier 1 EBAs in Queensland and current Tier-1 EBAs in other jurisdictions. These documents will provide clear wages rates for comparison (and more detailed analysis than we were able to provide in the short time to prepare this document), compared to ABS averages and the Award as was used in the Report.

## Problems with the “Low Scenario” “High Scenario” modelling on BPIC

A major issue with the Report is the use of the *Low Scenario* and *High Scenario* modelling on the implementation of BPICs on the ground and the assumptions that underpin this

modelling. The Report interprets BPIC from the premise that it is designed to frustrate work, rather than provide the parameters that allow work to occur safely and collaboratively. Fundamentally, the current Low/High Scenario model is misleading and incorrect, resulting in data that is deeply distorted and does not reflect the actual reality of the construction industry. The CFMEU notes that QPC has relied upon stakeholder submissions to formulate these scenarios, as is expected for a government body, but urges extreme caution in relation to the partisan nature of some of the stakeholder submissions that we believe may have sought to mislead the QPC in relation to how industrial instruments operate in practice. We urge the QPC to conduct further analysis, engage with experts further in a collaborative way to mitigate against this distortion.

The Report states that *‘there is some uncertainty concerning the impacts of BPICs on government sites because:*

- *the way many of the BPICs terms or conditions are implemented on the ground are uncertain and may vary from site to site*
- *there is ambiguity in the extent to which the conditions outlined in BPICs vary from award or industry standard conditions in practice*
- *there is uncertainty around how some negotiable terms are applied to sites where they are not mandatory — for example, BPICs state that conditions related to inclement weather should be negotiated in regions outside of South East Queensland (SEQ).*

*To allow for uncertainty the modelling uses ‘high’ and ‘low’ scenarios to test a range of estimates.’<sup>4</sup>*

The High Scenario option does not reflect the reality of the construction industry and implementation of industrial instruments in any way and therefore greatly inflates the analysis of the potential costs associated with BPICs. To illustrate this, the CFMEU will examine the summary of key assumptions in Table C.1.

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<sup>4</sup> QPC (2025) p. 286



**Table C.1 Summary of key assumptions**

	Low scenario	High scenario
Interpretation of BPICs conditions	Flexible interpretation	Rigid interpretation
Uncertainty	Low-cost scenario	High-cost scenario
<b>Key assumptions</b>		
Wages (BPICs sites compared to industry standard)	30 per cent higher	50 per cent higher
Safety	BPICs close 75 per cent of the gap between construction industry WHS outcomes and the industry wide average	BPICs close 100 per cent of the gap between construction industry WHS outcomes and the industry wide average
Weather-related project delays	Temperature and humidity conditions only apply in SEQ, rain stoppages same as award	SEQ temperature and humidity conditions apply to all sites in Qld, strict interpretation for rain stoppages
Rostered days off	Additional 13	Additional 13, with additional impacts from inflexible use of remaining RDOs
Industrial stoppages	No additional stoppages, 2-hour union meeting per fortnight.	6 days lost to industrial action, 2 union meetings per week (2 hours per meeting)
Union involvement	Small productivity increase	Small productivity decrease
Residential	Small cost impacts, shorter delay times, smaller worker shortages	Large cost impacts, longer delay times, larger worker shortages
Commercial (business investment)	Smaller worker shortages	Larger worker shortages
Project delays	5 per cent longer construction times	20 per cent longer construction times

## Wages

Reiterating the above point in the comparison table, BPIC wages should be compared to the wages of Tier 1 Builders in Queensland EBAs prior to 2018 and the wages of those same builders in other jurisdictions, not the Award or undefined “industry standard”. This method would provide more specific data for the QPC to examine, with less ambiguity and would reflect the specific conditions of major projects.

## Weather-related project delays

The analysis of the operation of extreme heat and inclement weather clauses under BPIC in the Report is incorrect, and subsequently the financial impact of these clauses is significantly overestimated. Firstly, it is important to note that the extreme heat and inclement weather clauses in BPIC is based on WHS regulations and codes of practice including Safe Work Australia’s [guidance material for managing the risks of working in heat](#), industry best practice policies developed collaboratively with builders and the CFMEU and the recommendations of the 2013 coronial inquest into the death of

construction worker Glenn Newport.<sup>5</sup> One of the key recommendations of the coroner was implementation of temperature thresholds beyond which outdoor work must cease. As such, the extreme heat clauses in BPIC are evidence-based policies, suited specifically to the Queensland weather conditions.

BPIC provides clear guidelines, that can be effectively implemented due to the consultation provisions, on managing work in the heat. This includes providing steps to modify work to allow work to continue safely when possible. The clause is not the unilateral and universal application of work stoppages to the whole site or whole industry. The clauses work as follows: in circumstances of extreme heat, when engineering controls are no longer sufficient, work by specific trade groups and work areas would cease work. For example, in extreme heat and humidity, structural trades are significantly impacted but often finishing trades who are performing work indoors are not exposed to the same extreme temperatures and therefore only structural trades would cease work. Crucially, the consultation clauses within BPIC allow employers and unions to negotiate changes to start times, specifically to allow the necessary flexibility to deal with extreme heat, such as conducting a concrete pour at 3am or 4am if it would be too hot to do this safely during ordinary hours. In addition, when work ceases, workers can be relocated to areas where they can perform productive work.

The same process is applied to inclement weather. The Report assumed the impact of the “high scenario” would be that ‘any amount of rain stops work immediately’ – this is simply not how the industry works.<sup>6</sup> The inclement weather clauses apply when weather events included rain, hail, extreme wind etc would make it unsafe for workers to continue working in those conditions. Workers not affected by the weather (most likely finish trades working undercover) would continue to work as usual. Workers who cannot work safely outside due to extreme weather can work on another area of the site that is not affected or be transported to another site to conduct work there. BPIC does not cause entire construction sites to be shut down for an entire day the moment it rains.

BPIC is not preventing construction work, it is allowing it to occur safely. The “high scenario” view of the inclement weather clauses is based on the scare mongering of some stakeholders, and is no way based on the reality of the construction industry.

## Rostered days off

The Report misunderstands the operation of RDOs in the construction industry, incorrectly viewing RDOs as ‘site days lost’, when they are compensation for time that has already been worked.<sup>7</sup> Firstly, we seek to clarify how RDOs operate in the construction industry. The Report incorrectly assumes that prior to the implementation

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<sup>5</sup> <https://www.abc.net.au/news/2016-04-20/coroner-calls-temperature-threshold-to-stop-outdoor-work-heat/7342464>

<sup>6</sup> QPC (2025) p. 292

<sup>7</sup> QPC (2025) p. 294

of BPICs, workers were entitled to 13 RDOs.<sup>8</sup> In reality, 26 RDO have been standard in CFMEU (and other union) EBAs across Australia for 25 years. As such, they have been part of the employment conditions on major government and commercial projects across Australia since 2000 and must be considered the *industry standard* for this part of the construction industry. The CFMEU seeks to highlight to the QPC that it has been misled by other submissions on what constitutes *industry standard*, particularly in relation to RDOs. We draw your attention the following paragraph in particular:

*RDOs must be all taken on the same day by all workers, meaning sites are shut down for 26 days per year. Prior to the introduction of BPICs, a worker was typically entitled to 13 RDOs, but it was common practice for workers to either not work the additional time required to accrue RDOs or to preference overtime payments over RDOs. There was also flexibility on when and how RDOs are taken so that full site shutdowns were not required.*<sup>9</sup>

It is simply incorrect that it was common practice prior to BPIC for workers to seek overtime payments or not work the additional hours to not accrue RDOs, and such a practice if it did occur is likely to be in breach of industrial law. Firstly, RDOs are built into ordinary hours in both the Award and BPICs (EBA conditions): an employee will work 8 hours (ordinary hours) but be paid for 7.6 under the Award or 7.2 under BPICs, with the additional time accruing towards the RDOs. Overtime is calculated from working above 8 hours, so RDOs cannot be simply swapped for overtime. In addition, employers cannot unilaterally decide to replace RDOs with overtime, a majority of employees are required to agree, said agreement must be in writing. This is exceedingly rare, if not unheard of, on major government and commercial projects.

Clause	Award	BPICs
<b>Ordinary hours of work</b>	Ordinary working hours will be 38 per week (averaged over a 20 day 4 week cycle to allow for the accrual and taking of rostered days off (RDO)), worked between 7.00 am and 6.00 pm Monday to Friday in accordance with the procedures in clauses 16.2 to 16.7.	Ordinary working hours will be 8 hours in duration each day, of which 0.4 of one hour of each day worked will accrue towards an RDO and 7.6 hours will be paid. An employee will therefore accrue 7.6 hours towards an RDO each 19 days of ordinary hours worked.
<b>Hours of work and accrual towards RDOs</b>	Ordinary working hours will be 8 hours in duration each day, of which 0.4 of one hour of each day worked will accrue towards an RDO and 7.6 hours will be paid. An employee will therefore accrue 7.6 hours towards an RDO each 19 days of ordinary hours worked.	Ordinary working hours will be 8 hours in duration each day, of which 0.4 of one hour of each day worked will accrue towards an RDO and 7.6 hours will be paid. An employee will therefore accrue 7.6 hours towards an RDO each 19 days of ordinary hours worked.
<b>Taking the accrued RDO</b>	<b>(a)</b> An accrued RDO will be taken in one of the following ways:	26 rostered days are scheduled to be taken off by an Employee for every 12

<sup>8</sup> QPC (2025) p. 295

<sup>9</sup> QPC (2025) p. 293

	<p>(i) on one day during a 20 day 4 week cycle on which all employees will take an RDO in accordance with a written roster fixed by the employer and issued 7 days before the commencement of that cycle; or</p> <p>(ii) on a day during a 20 day 4 week cycle during which particular employees will take their RDOs on different days in accordance with a written roster fixed by the employer and issued 7 days before the commencement of that cycle; or</p> <p>(iii) by any other method that is agreed by the employer and the majority of that employer's employees and recorded in writing.</p> <p>(b) The means by which a written roster under clause 16.4 may be issued include but are not limited to the following:</p> <p>(i) by giving an employee a copy of the written roster; or</p> <p>(ii) by placing a copy of the written roster on the notice board(s) at the workplace; or</p> <p>(iii) by sending the written roster to the employee by post in a prepaid envelope to an employee's usual residential or postal address, by facsimile transmission, or by email or other electronic means; or</p> <p>(iv) by any other means agreed to by the employer and employee.</p> <p>(c) A roster issued in accordance with clause 16.4 must not require an employee to take an RDO on a day that is a public holiday.</p>	<p>months' continuous service in accordance with the dates set out in the calendar contained in APPENDIX 3. The purpose of this calendar is to ensure workers and site management manage their fatigue levels, thereby encouraging safer and more productive Projects. Calendars for years not contained in this Policy will be published by the Union when the Holiday and School Terms are released by the Queensland Government. The Employer is committed to providing as much notice as is reasonably practicable for a requirement to work. Wherever possible, the process outlined above will occur at least 7 calendar days prior to the RDO in question.</p> <p>An Employee may refuse to work an RDO in circumstances where the working of such a RDO would result in the Employee working hours which are unreasonable having regard to matters including:</p> <p>a) any risk to Employee health and safety including the risk of fatigue i.e. excessive hours, exposure to noise, fumes, or any matter that can impair an Employee's ability to work safely and/or create a danger to Employees</p> <p>b) the Employee's personal circumstances including any family responsibilities</p> <p>c) any other relevant matter.</p>
<b>Requirement to work on a day that is an RDO</b>	<p>(a) The employer may require an employee to work on an RDO that is fixed in accordance with clause 16.4(a) by agreement with the employee, or upon the provision of not less than 48 hours' notice where the work to be performed is necessary because of unforeseen delays to a particular project or a section of it or any other reasons arising from unforeseen or emergency circumstances on a project.</p>	<p>a) The Employer shall establish that there is a genuine need for the work to take place on the RDO. Examples of where work may take place include, but are not limited to, the following: jumping cranes, erecting, or dismantling jump form, high-risk activity after consultation with the safety committee),</p> <p>b) The Employer must consult with the affected Employee(s); and</p>

	<p><b>(b)</b> An employee who works on a day rostered for the taking of an RDO in accordance with 16.6(a) will be paid penalty rates as prescribed for Saturday work in clause 30—Penalty rates, and will retain the accrued RDO.</p>	<p>c) All work on RDO's will only occur by agreement between the Employer and the Union. Such agreement will be in writing.</p> <p>The Employer is committed to providing as much notice as is reasonably practicable for a requirement to work. Wherever possible, the process outlined above will occur at least 7 calendar days prior to the RDO in question.</p>
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In addition, the report incorrectly states that RDOs under BPIC require ‘full site closure.’<sup>10</sup> Firstly, standard RDO calendars in which all workers take the same RDOs are standard practice across the industry, reflected in both the Award and EBAs. This is because RDOs are designed to enhance the productivity of the construction industry: allowing longer workdays with additional days off so that tasks can be completed within a workday (as is often necessary) whilst managing the fatigue associated with manual labour. This system reflects the needs of the construction industry – which is different to 9 to 5 office work. It’s also practical – much work on site requires multiple people at the one time, so it makes sense to ensure that they are at work at the same time. In addition, BPIC outlines the process required for work to occur during an RDO, simply requiring that workers can have a say when asked to work when they are entitled not to. In practice, it is a very common occurrence that certain trades may work an RDO to ensure the efficiency of a site, but this has been agreed upon by workers and management. This is very important given that most construction workers are working 50-hour weeks, and RDOs are vital to addressing fatigue. As such, the assumptions in table C.7 should remove the 13 days lost in the low scenario and 19.5 days in the high scenario.

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**Table C.7 Assumptions used in BPICs assessment**

	Assumption used	
	Low scenario	High scenario
Additional RDOs	13 site days lost	13 site days lost
Impact from less flexible RDOs	No impact	6.5 site days lost
Number of union meetings per week	0.5 (equivalent to 6 site days)	2 (equivalent to 24 site days)
Days lost due to increased union activity	No impact	6 site days lost
Days lost due to less flexible work arrangements (weekends)	No impact	4.8 site days lost
Total site days lost	19	55

Source: QPC assessment.

<sup>10</sup> QPC (2025) p. 112

## Industrial stoppages

Another key misinterpretation within the Report relates to impact of industrial stoppages and union activity. Clauses in industrial instruments relating to things such as meetings are usually drafted in such a way to enable a large meeting to occur (if it should ever) but this should not be interpreted that such a length of time is standard. Just because it can occur does not mean it does. The analysis of the frequency of union meetings – is not in any way based in reality for both the low and high scenarios in relation to both the frequency and disruption of these meetings. Firstly, BPIC includes provisions for both union meetings and toolbox meetings. Toolbox meetings are convened by the employer monthly, with the union invited to attend, to discuss issues on site. These meetings are a useful mechanism for workers and management on a project that includes numerous employers and subcontractors to discuss upcoming issues quickly and efficiently.

Under BPIC, workers are entitled to attend union meetings of up to 2 hours, once per shift. Similar clauses are common practice in construction EBAs across the states and territories. The impact of these meetings has been grossly exaggerated. In practice, the 2-hour meeting clause is not used. It is simply false to claim that multiple 2-hour union meetings in the middle of the day are occurring each week and disrupting concrete pours. The assumption that BPIC results in 6 to 24 lost days from union meetings is incorrect and should be removed from the final report.

The CFMEU urges the QPC to treat any submission that suggests union meetings occur in this disruptive manner with suspicion, as they seek to mislead the government and lie about the CFMEU.

## Union involvement

The Report states that union involvement results in either a small productivity increase or decrease depending on the low or high scenario assumption. The basis of this assumption is not clearly outlined. The CFMEU would note that the areas of our coverage correspond to the highest productivity rates in the construction industry, as found in the recent Productivity Commission report on construction. Extensive research has shown that job security, safety, opportunities to upskill, collaboration, greater wellbeing and greater participation of women all contribute to increases in labour productivity – and these are all conditions that the CFMEU campaigns for on site.

## Addressing inaccuracies in comparison of wages and conditions under the Award and BPICs

The calculations in Appendix C include some errors. We note it appears the Report has averaged the wages and allowances for numerous occupations, making it difficult for us to provide a direct comparison to EBAs in other jurisdictions and EBAs prior to the introduction of BPICs.

## Hourly Totals

Table 1: When drawing a comparison between the total wages earned by employees under BPIC vs the Award. BPIC is based on 40 hours of wages earned and the Award is 38 hours. This is not a fair comparison, as it is deducting the RDO accruals from the Award workers but not the BPIC workers when conducting the comparison, thus providing BPIC workers with an additional 2 hours of wages per week, hence applying an additional 5.26% of labour hours cost for the BPIC workers. The account is likely rationalised as reflecting section 16.1 of the Award, which states that ordinary working hours are 38 hours per week. However, that is simply to provide context to section 16.2 which states that workers perform 8 ordinary hours of work per day, of which 0.4 is accrued to the RDO. With the remaining 7.6 to be paid to the employee, hence the 38-hour week. The reason this comparison is misleading is that the BPIC workers are on a 36-hour week, so for that same 8 hours of ordinary work they would accrue 0.8 hours each day receiving 7.2 hours pay. A fair and accurate comparison based on the precedent set by the table would be to compare 36 hours of work performed under BPIC against 38 hours of work performed under the award.

## Redundancy

Further, the comparison table does not account redundancy accruals that Award covered workers are entitled to. Whilst it highlights that BPIC workers receive redundancy contributions of \$126 per week into trust, it neglects to identify that eligible award-based workers are entitled redundancy payments under section 41.3 of the Award:

*“Redundancy pay (a) A redundant employee will receive redundancy/severance payments, calculated as follows, in respect of all continuous service with the employer: Period of continuous service with an employer*

*Redundancy/severance pay 1 year or more but less than 2 years 2.4 weeks’ pay plus for all service in excess of 1 year, 1.75 hours pay per completed week of service up to a maximum of 4.8 weeks’ pay*

*2 years or more but less than 3 years 4.8 weeks’ pay plus, for all service in excess of 2 years, 1.6 hours pay per completed week of service up to a maximum of 7 weeks’ pay*

*3 years or more than but less than 4 years 7 weeks’ pay plus, for all service in excess of 3 years, 0.73 hours pay per completed week of service up to a maximum of 8 weeks’ pay*

*4 years or more 8 weeks’ pay”*

In the case of a CW3 who is assumed in the report to earn \$1,173.92 under the award; if they had performed exactly one year of service, they would be entitled to \$2,817.4 as a redundancy payment. The current analysis makes no account for this entitlement likely

because it sits as a current liability on the employers' balance sheet. The BPIC worker in that same period would have accrued \$6,552 in redundancy payments, the difference being \$3,734.6 between the workers, compared to the purported difference of \$6,552 per year that the analysis suggest.

## Lack of consideration of the counterfactual in labour market analysis

Whilst the Report asserts that it considers the counterfactual – meaning a world without BPIC – it is not clear that it does this with respect to labour supply on BPIC covered projects, while the report estimates the impact BPIC has on the cost of residential projects due to the labour shortages. The contention of the report is that BPIC projects have the lion's share of the labour supply due to the superior wages. Consequently, residential projects experience delays both in terms of the direct labour they seek, but also in terms of flow on effects on the project. The example used was an electrician being unavailable to work, which in turn holds up trades that are available to work.

It stands to reason that if BPIC did not exist, that wages between the Commercial and Residential markets would be equal or thereabouts. As such BPIC projects would be less attractive to workers, and the labour supply available to BPIC projects would decrease.

As a result, it stands to reason that there would be delays on BPIC projects compared to the current situation, comparable to the analysis conducted with respect to the residential sector. Any reasonable analysis should consider what have the productivity gains been for BPIC projects due to the increase in wages and subsequent draw on the labour supply, and subsequently, what would the loss be if those workers moved from the BPIC projects to residential projects?

## Importance of procurement in the construction industry

The policy framework recommended in the Report would put Queensland out of step with the rest of Australia, resulting in lower standards, poorer quality, lower wages, worse safety, greater labour supply issues and reduced productivity. Cutting regulation and rewriting procurement codes relating to industrial, safety matters and overall labour market issues will not enhance productivity.

Public money should help deliver public goods, by incentivising best practice and high ethical, environmental, quality and labour standards. Procurement is a powerful mechanism to drive industry best practice, with the positive impacts flowing through the entire industry. Using procurement to drive down conditions in a race to the bottom will negatively impact workers, businesses and the general public.

The QPC's report supports a narrow interpretation of the purpose of procurement that places its emphasis on value for money. A potential future procurement code that



focuses on value for money at the expense of other requirements such as safety, labour standards, ethical business practice and quotas (viewed as a regulatory burden in the Report) will negatively impact the construction industry. This approach would reward those businesses that compete on a race-to-the-bottom on wages and conditions, undercutting ethical businesses through a business model that contravenes industrial law, cuts corners on safety and completes low quality work. Long term, such a policy will significantly increase overall costs to the taxpayer in other ways, reduce productivity and undermine high quality businesses rather than utilising them.

Achieving policy goals such as increasing the number of construction trainees and apprentices in Queensland, or increasing the number of women in construction do not happen by accident. They do not happen purely because a policy states they are a goal. They occur when regulatory mechanisms are in place that reward and penalise compliance and non-compliance.

It is not just the CFMEU that views procurement this way. The recent NCIF blueprint, developed in tripartite collaboration between the Commonwealth, employers and unions in the construction industry identified the challenge posed by procurement codes that focus on lowest price rather than best practice and mutually beneficial and lawful behaviour.<sup>11</sup>

Criminality is an issue in the construction industry, with some businesses associated with organised crime. Regulation is necessary to disrupt these businesses. Labour hire licensing and occupational licensing are particularly important to help disrupt this business model, placing obligations on businesses. To successfully address this problem, government, employers and unions must work together.

### A potential procurement model

Whilst we support the reintroduction of BPIC, we understand that this is unlikely to occur under the current government. However, an alternative procurement model the CFMEU also would support is one that incorporates a two-gate tender process, such as the Secure Local Jobs Code in the ACT. This potential procurement code model is outlined below.

This code should ensure that the purchasing power of government is used to support businesses that engage in fair, equitable, ethical and sustainable practices. The Code should help provide a level playing field for businesses, so that ethical companies are rewarded, instead of being undercut by business that engage in a race to the bottom on employment conditions and safety. This would create financial stability for business.

The code would be guided by the following values and policy priorities:

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<sup>11</sup> [www.dewr.gov.au/download/16952/draft-blueprint-future/40149/draft-blueprint-future/pdf](http://www.dewr.gov.au/download/16952/draft-blueprint-future/40149/draft-blueprint-future/pdf)

- Fair and safe conditions for workers
- Collaboration between businesses and unions
- Business development and innovation
- Diversity, equality and inclusion
- Supporting a skilled workforce
- Environmental responsibility
- Transparent and ethical engagement
- Aboriginal and Torres Strait Islander economic participation
- High quality construction, that is best value

Based on the ACT model, this code would have a two-gate tender process. In order to tender for work, businesses apply for a certificate confirming that they meet the standards in the code and agree to be bound by the code.

As a first stage, of the tender would involve an Ethical Treatment of Workers Evaluation, in which a businesses history of industrial and safety compliance would be evaluated. In addition, the business could be assessed to ensure it is not connected to criminal enterprises. This would be the first gate in the tender process and must be traversed before any consideration of the other value of the tender occurs.

This two-gate process ensures that tenders are not determined solely or predominantly on the basis of economic considerations at the expense of ethical considerations, which often occurs in a conventional weighted tender process. This means that ethical businesses would not be undercut by businesses with a business model of non-compliance with employment law or sham contracting. This is also a mechanism to address criminal entities or businesses that engage in sham contracting that are a problem in the construction industry.

## Addressing gender segregation in construction

We are not going to build the skills base of the construction industry without increasing women's participation rates. Recent research by Jobs and Skills Australia found that occupation shortages worsen with increased gender segregation, particularly for male-dominated occupations.<sup>12</sup> The construction industry has one of the highest rates of gender segregation in the labour market, with women making up 14% of the workforce.<sup>13</sup> Of this, women make up only 2.9% of blue-collar roles in the industry, although promisingly, this number has grown significantly in the past five years.<sup>14</sup> This gender

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<sup>12</sup> Jobs and Skills Australia. (2025, August 7). *New Perspectives on Old Problems: Gendered Jobs, Work and Pay* (Gender Economic Equality Study — Paper 1). Australian Government.

<sup>13</sup> Women Building Australia. (2021). *Growth in female participation in the building and construction industry*. Women Building Australia. from <https://www.womenbuildingaustralia.com.au/news/growth-female-participation-building-and-construction-industry>

<sup>14</sup> BuildSkills Australia (2024) *More young women working in construction than ever before*. BuildSkills Australia. Retrieved from <https://buildskills.com.au/news/more-young-women-working-in-construction-than-ever-before>

segregation is both horizontal and vertical, with women concentrated in lower paid, less skilled and less secure work.<sup>15</sup> Addressing gender inequality in construction is a vital to improve productivity in the industry.

## Recommendation

The CFMEU recommends the implementation of a gender equality policy in a future Queensland procurement code modelled after the [Victorian Building Equality Policy](#) (BEP). The policy should include quotas for women on government projects, in conjunction with quotas for apprentices and trainees (mentioned in our earlier submission).

Numerous studies have shown that quotas are one of the most effective mechanisms to address gender segregation and are considerably more effective than targets.<sup>16</sup> This issue shows the importance of an effective and targeted procurement code, as the purchasing power of government is one of the most effective levers in targeting gender segregation and gendered inequalities.

## Positive next steps for a better Queensland

The construction industry is not going to be able to meet the infrastructure needs of Queensland if it is viewed by government as a zero-sum game, in which there must be winners and losers. This attitude does not reflect the reality of the industry, where unions and employers engage collaboratively on site every day.

## Recommendation

The CFMEU recommends the establishment of a tripartite forum between the Queensland government, employers and construction unions to work together to solve problems in the construction industry. Instead of focusing on conflict, a tripartite body can focus on areas of collaboration and potential opportunities. Whilst disagreements are inherent in the industry, there is also much opportunity for collaboration and policies that achieve mutually beneficial outcomes for all parties.

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<sup>15</sup> Holdsworth, S., Turner, M., & Sandri, O. (2023). Gender bias in the Australian construction industry: Women's experience in trades and semi-skilled roles. *Social Sciences*, 12(11), 627. <https://doi.org/10.3390/socsci12110627>

<sup>16</sup> Workplace Gender Equality Agency. (2016). *Targets and quotas*. Commonwealth of Australia. Retrieved from [https://www.wgea.gov.au/sites/default/files/documents/2014-03-04\\_PP\\_targetsquotas.pdf](https://www.wgea.gov.au/sites/default/files/documents/2014-03-04_PP_targetsquotas.pdf)