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Ms Angela Moody
Productivity Commissioner and Chair
Queensland Productivity Commission
PO Box 12078
George Street QLD 4003

Via Email: enquiry@qpc.qld.gov.au cc: [REDACTED]

Dear Chair

Inquiry into the productivity of Queensland's construction industry

Further to your recent discussions with Michelle Farquhar, the Australian Industry Group's State Head for Queensland, we would like to reiterate our support for the Queensland Productivity Commission (QPC) and your provision of independent policy analysis and advice to the Queensland government and community. Independent state based productivity and industry policy analysis and recommendations have the potential to play a significant role in enhancing productivity growth and opportunity throughout the country, and Queensland is taking the lead in this regard.

Our organisation and members also welcome the QPC's recent [Interim Report](#) on the productivity of the state's construction industry, which is of very high quality and relevance, and identifies critical issues for the productivity and performance of the sector.

The Australian Industry Group welcomes and broadly supports the preliminary priorities, recommendations, and reform directions the QPC has identified, and their translation into final recommendations to government.

National Economic Reform Roundtable and Commonwealth processes

A number of recommendations appear consistent with either ongoing actions at Commonwealth level or recently agreed priorities of the Economic Reform Roundtable. Whilst this underscores the relevance of QPC's analysis and directions, actions in Queensland should be broadly consistent with those pursued nationally and recognise that newly adopted priorities will see nationwide initiatives in a number of areas. This includes broad consensus regarding the need for reform to the National Construction Code, and modern methods of construction. It will be important Queensland particularly prioritise areas of state regulation that lie within its direct control.

BPICs and related workplace relations considerations

The Australian Industry Group and our members endorse Preliminary Recommendation 4 in the strongest possible terms, for the permanent removal of the Best Practice Industry Conditions (BPICs) from Queensland Government procurement policy. We thank the QPC for its identification of various negative economic consequences of this approach.

In our view the BPIC approach to procurement disproportionately increased costs for employers throughout the sector, causing a significant increase in Government spending, and detrimental productivity outcomes in Queensland construction. Australian Industry Group does not oppose measured and cost effective procurement policy formed after genuine consultation with industry, but BPIC was not reflective of this approach.

We also support:

- Government, industry, and unions working together to develop mechanisms for reviving site productivity in the industry without compromising safety outcomes.
- Ongoing investigation of measures to ensure Energy Queensland's enterprise agreement applies only to its direct employees.

The Australian Industry Group can also see no basis for extending labour hire licencing to construction, nor any additional support for productivity from adopting such a course.

Training and apprenticeships

We strongly support collaboration between industry and government to identify opportunities to improve the training and apprenticeship system for Queensland construction. This will be critical to ensuring current investments in major projects, in particular for the Olympic Games, deliver an enduring skills and productivity legacy.

A focus on skills and workforce across the breadth of the construction industry is important to ensure that major project activity does not place excessive strain on supply of skilled workers in other parts of the construction sector that are critical to delivering other priorities such as residential housing. This broad approach should also recognise the interconnectedness of many trade occupations and the need for skills uplift to also be prioritised in industries such as manufacturing that form a key component of the construction supply chain.

In June 2025, the Australian Industry Group Centre for Education and Training released comprehensive research on the employer experience of apprenticeships and traineeships in Australia – *Apprenticeships and Traineeships: The Employer Perspective*. It highlights that the cost and complexity of employing apprentices and trainees is increasing, employer satisfaction with the system is decreasing, and makes policy recommendations to strengthen the system. The findings and recommendations

in this report are highly relevant to the request for information on training and apprenticeships included in the Commission's Interim Report. This report can be found on the Centre website and a more detailed briefing on implications in the Queensland context can be provided to the Commission upon request.

Labour mobility and skilled migration

We strongly support a review of construction-related occasional licensing, prioritisation of automatic mutual recognition, and increased access to skilled migrants. We also support suspending and reviewing any proposed licencing requirements that would be unwarranted, burdensome, or damaging.

Work Health and Safety

The Australian Industry Group supports proposed priorities regarding compliance monitoring and enforcement, harmonised and more efficient incident reporting, and further consideration of various matters identified under Reform Direction 9.

However, it will also be important to ensure that there is not scope for trade union officials to abuse or misuse powers of entry to workplaces, and in particular to not be able to inappropriately weaponise site entry in relation to alleged WHS complaints, concerns or incidents as part of industrial relations claims or disputation. The Building Bad exposé and the serious criminality and misconduct it revealed underscore the need for an appropriate level of rigour to ensure right of entry for WHS purposes can make its intended legitimate and lawful contribution to workplace safety without being misused.

Procurement, tendering, and government funded construction work

The QPC's proposed recommendations and reform directions address project selection, sequencing, and government procurement. The thread running through each of the matters identified by the QPC is ensuring government requirements for constructing in Queensland are properly merited, necessary, efficient, and practical, and support doing business with government productively, efficiently, and at cost levels more consistent with the interests of the Queensland community. The recommendations also appear to better support construction commencement and completion on timeframes more consistent with community expectations. On this basis we strongly support the options and priorities advanced in the interim report.

We particularly note options to reform tendering, planning, approvals, infrastructure charges, and land release and the QPC's particular identification of negative impacts of current regulatory approaches for the availability of housing supply. It is clear from your analysis that the existing regulation and processes are falling short in regard to both their productivity and consistency with community expectations.

Once again, we compliment the QPC on the approach taken in this initial inquiry and in the Interim Report. The proposed recommendations and directions for reform are overwhelmingly positive and will contribute to an improved Queensland construction industry, and improved outcomes for Queensland taxpayers, local communities reliant on built infrastructure, and those demanding improved access to affordable housing. Proposed reforms will also contribute to improving Queensland as a place to invest and do business, supporting living standards and employment opportunities across the state.

The Australian Industry Group will be pleased to provide any additional information, explanation or extrapolation that would assist the QPC as you finalise your inquiry.

Sincerely yours,



DEAN DEIGHTON
Head – Northern Australia