

1 September 2025

Queensland Productivity Commissioner

Angela Moody

enquiry@qpc.qld.gov.au

Opportunities to improve the productivity of the construction industry – Interim Report

Dear Commissioner,

On behalf of our members, I commend the Queensland Productivity Commission on the release of its Interim Report and the comprehensive nature of its analysis.

Crucially, the report recognises that Queensland's productivity decline cannot be solved with a single fix. Instead, it outlines a credible and practical pathway forward amid looming housing and infrastructure challenges.

The findings are stark, showing just how entrenched and systemic our productivity issues have become. They also reinforce industry's long-held position that declining productivity impacts every facet of the property and construction sector and without urgent action, Queensland risks delivering fewer homes and falling short of delivering on its critical infrastructure pipeline.

With the recently announced Commission of Inquiry into the CFMEU, genuine industry-wide cultural reform must accompany the structural changes highlighted in the QPC report. This dual approach strengthens accountability, reduces power imbalances, and fosters the transparency needed for lasting, constructive reform.

The following pages summarise our members' responses to the Interim Report's key focus areas and put forward further recommendations to drive systemic change and boost productivity as swiftly as possible and we are happy for the details of our submission to be made public in the final report.

We look forward to further engagement as we seek to lay a strong foundation for confidence, productivity, and sustainable growth in Queensland's building and construction sector. If you would like to discuss any of the matters within our submission, please do not hesitate to contact me on [REDACTED] or [REDACTED].

Kind Regards



Jess Caire

Queensland Executive Director

Introduction

Earlier this year the Property Council welcomed the opportunity to provide extensive feedback during the initial round of consultation of the Queensland Productivity Commission's review into the building and construction sector. In recognition of dire productivity levels in our building sector and the impact of this on the economic wellbeing and livelihoods of Queenslanders, this feedback did not shy away from the serious and significant challenges in the sector.

As a result, our initial submission was made confidentially so we could directly draw the QPC and the Queensland Government's attention to the issues besetting the sector. Fortunately, since then the landscape has changed in large part due to initiatives such as the announcement of Queensland Government's Commission of Inquiry into the CFMEU. The release of this interim report marks the latest in a series of steps forward in the quest to bolster productivity and output in our building sector.

The Property Council commends the QPC on the efforts to date. The interim report canvasses an ambitious and exhaustive range of recommendations that if progressed and implemented appropriately would be reformative in Queensland's ongoing effort to respond to and harness record growth.

Pleasingly, many of the key themes and recommendations that the Property Council provided on behalf on industry have also been included in the interim report.

The Property Council supports the majority of the report's preliminary recommendations and reform directions in principle. However, given the report's ambitious scope it is unlikely that all of the preliminary recommendations and reform directions proposed in the report will be able to be fully progressed in a reasonable timeframe.

As such, we will not be responding in detail to each recommendation and in some instances have referred to other industry groups whose membership is more attuned to that specific recommendation or subject. Instead, we have endeavoured to single out the areas of the report that our members believe represent the greatest opportunity to shift the dial in terms of productivity and those that can be delivered expediently and effectively.

Key Area 1: Reforming Procurement

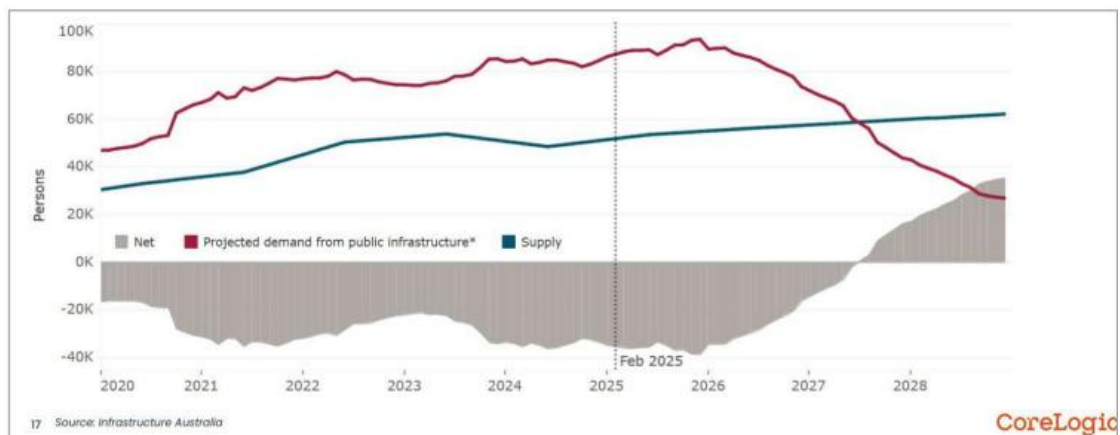
Improving project selection and sequencing *(Preliminary Recommendation 1 & 2 and Reform Direction 1)*

The Property Council welcomes and supports **Preliminary Recommendation 1**. A strategic approach to project sequencing is essential to avoid "crowding out" the private sector, which will be critical in addressing Queensland's housing crisis and shortages across key sectors such as office, industrial, hotels, and private social infrastructure. Sequencing also supports a sustainable pipeline of workers and trades, helping to mitigate labour shortages and ensure long-term industry capacity.

It has been well documented that Queensland is undertaking the greatest infrastructure rollout in our State's history. Currently – 72 per cent of funded projects in the market are publicly funded projects.¹

The table below has been sourced from **Infrastructure Australia** and shows the forecast of supply and demand of public sector infrastructure workers in Queensland.

¹ Queensland Major Contractors Association, Queensland Major Projects Pipeline Report, 2024 (2024) p.6.
Property Council of Australia (QLD) Response to QPC Interim Report August 2025



The above table only details the demand from public infrastructure projects. When private sector activity is factored in, the gap in workforce capacity widens significantly. With such substantial public sector investment, workers are naturally drawn to government projects, creating shortages just as the private sector is trying to deliver critical developments. The government has a clear opportunity to lead by strategically sequencing and staging the rollout of public works, enabling both public and private sectors to deliver concurrently and sustainably.

While the Olympic venue program has a hard deadline many other infrastructure projects are more flexible and without appropriate project sequencing and prioritisation risk cannibalising one another as well as private projects due to overlapping demand for skilled trades (form workers, steel fixers, mechanical and electrical trades).

If this is not managed appropriately it is inevitable that this will be inflationary and result in bottlenecks. Furthermore, it should be noted that environments such as this (where there is a significant imbalance between project proponents and employees) are fertile ground for perverse and imbalanced industrial agreements such as those which have stymied Queensland's growth and productivity over the last decade.

For project sequencing to be effective Government must have the necessary tools in place to properly assess market capacity. As such, Government should generate and maintain a detailed program of all major public and private (not just mining and energy) building and infrastructure projects. This program should include trade-level resource forecasts and be continuously updated with industry input. Furthermore, given skills shortages can be a localised challenge, it should also include regional breakdowns and be made public to provide the private sector with real time information and forecasts.

This resource is currently being developed through a vital initiative led by a coalition including the Property Council, Brisbane Economic Development Agency, Better Brisbane Alliance, who are utilising data sourced from BCI Central and key industry partners with strong support from the Department of State Development, Infrastructure, Local Government and Planning. The Major Projects Portal will provide a consolidated statewide view of public and private sector projects valued at over \$50 million, detailing the key materials and workforce required to deliver the pipeline. Scheduled for release in November this year, the portal will serve as a critical planning tool for both government and industry enabling more effective project phasing, resource coordination, and data-driven policy and decision

making. **We encourage the QPC to recommend the ongoing support of such a critical tool as we navigate the unprecedented pipeline.**

General Procurement Policies

Preliminary Recommendation 3 – Queensland Government Procurement Policies

The Property Council supports this recommendation with the exception of areas where government procurement can be used a tool to expedite and incentivise new technologies such as Modern Methods of Construction (MMC) that may create efficiencies and reduce costs over the long term. Our feedback on Preliminary Recommendation 5 “Modern Methods of Construction” deals with this in greater detail.

Reform Direction 2 – Pre-Qualification

The Property Council supports the proposals of other industry bodies more well versed in this space such as QMCA and Master Builders.

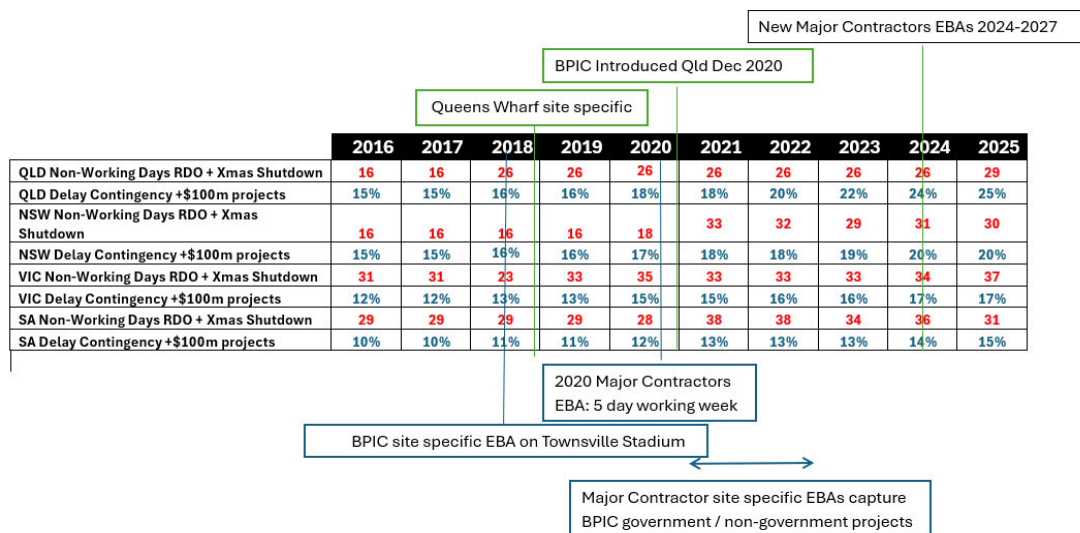
Request for Information – Queensland Government Procurement Policy

The Property Council supports the proposals of other industry bodies more well versed in this space such as QMCA and Master Builders.

Best Practice Industry Conditions *Preliminary Recommendation 4 – Best Practice Industry Conditions, Reform Direction 3 – Options for a Broader Industry Reset Request for Information*

The Property Council strongly supports **Preliminary Recommendation 4** for the Queensland Government to permanently pause BPICs and believes it is imperative if we wish to service demand and deliver on our record infrastructure pipeline.

As identified in our original submission the rollout of BPIC conditions and their subsequent embeddedness into industry practice has had a devastating impact on construction productivity across Queensland. It is estimated by industry that the impact of having a project that is captured by an EBA is a 30 per cent increase in cost as well as a 30 per cent increase in the time required to complete a project



The table above outlines the timeline that has been provided by industry sources and includes Rostered Days Off (RDOs) which have been sourced from the publicly available calendar. It also includes industry feedback on the increasing contingency delay allowances being factored into construction projects due to declining site-based productivity on construction projects.

By way of background, in April 2024, the Queensland Government released an updated BPIC standard, which included provisions such as double pay during rain, additional allowances for remote work, and annual pay increases through to 2027.

These conditions negotiated by the former government in Queensland had already appeared in many Enterprise Bargaining Agreements (EBAs) that builders had been compelled to sign by the CFMEU, quite often under duress. The private sector has been required to meet the same requirements as Government projects either through EBA requirements (which have been relentlessly pursued by the CFMEU) or through having to match the conditions to attract and retain a workforce. Given these circumstances that private sector has had little choice but to enter into EBAs, otherwise they risk losing their workers and having their project stalled indefinitely (through targeted attempts by unions to shut the site down) as seen in West End in the publicised Pradella incident.

Given the significant adverse impact of BPICs has been clearly identified in this report and by the Queensland Government, the Property Council supports the specific BPIC related recommendations made by the QMCA in their submission given their members' experience navigating these conditions.

It is worth addressing the QPC's comment on pg 18 the summary report that "the Commission has not made any recommendations that directly relate to industrial relations matters or EBAs in this interim report."

It is important to note that while pausing BPIC in public sector projects will assist in boosting productivity, the existing EBA's that are not due to be renegotiated until 2027, have BPIC conditions embedded in them, are continuing to impact the Queensland construction sector resulting in a catastrophic impact on productivity and cost to the private sector.

"According to industry, it is standard practice for workers on EBA sites to stop working between 2.30-4pm on the days they are scheduled to work. This is roughly two to three hours less than the standard on non-EBA sites.

Furthermore, it is a rarity for Saturdays to be worked on EBA jobs because double time must be paid to workers. Work rosters to manage resources and capacity are not allowed to be employed on EBA sites.

Assuming a construction worker works 225 days in a year, this equates 450-600hrs (or about 40-60 extra days) of work that is lost.

Finally, non-EBA sites are paid on the basis of output. For example, a contractor installing kitchens would negotiate a rate for every kitchen they installed (eg \$3,000 per kitchen) and have a clear incentive to complete the work in an expedient manner. EBA jobs are paid on hourly rate that is not linked to output. An industry source estimates that this results in approximately twice the amount of time taken to install the same kitchen."²

Current EBA conditions (and the associated culture) are central to Queensland having the worst productivity levels in the country. The graph below, based on actual project data, compares construction times for a range of apartment buildings in Queensland and Victoria. While Victoria has historically struggled with productivity, the comparison clearly illustrates how far Queensland has now fallen behind in construction efficiency.

VIC Project	Levels	Apartments	Construction Duration
A	c30	c300	27 months
B	c45	c700	32 months
C	c25	c500	25 months

QLD Project	Levels	Apartments	Construction Duration
A	c35	c400	41 months
B	c30	c400	37 months

² INQUIRY INTO OPPORTUNITIES TO IMPROVE CONSTRUCTION PRODUCTIVITY, Property Council of Australia, 2025
Property Council of Australia (QLD) Response to QPC Interim Report August 2025

While the Property Council understands that EBA specific issues may be addressed more thoroughly via the Government's Commission of Inquiry into the CFMEU, it is crucial to reinforce that industry has suggested that many current EBA's were signed under duress. If the Commission of Inquiry finds evidence to support this the QPC should consider options to help facilitate the transition of affected businesses to fairer EBA arrangements.

Contractual Arrangements (*Reform Direction 4 – Improving Tendering and Contracting and Request for Information – Improving Tendering and Contracting*)

The Property Council supports the proposals of other industry bodies more well versed in this space such as QMCA.

Key Area 2: Improving Land Use Regulation

Design of Planning regulation

Preliminary Recommendation 5 – Design of Planning Regulation

The Property Council supports **Preliminary Recommendation 5** which calls for reforming the design of Queensland's planning regulation to improve construction productivity and housing delivery. Aligning planning regulation more closely with infrastructure delivery and market demand is essential to unlocking development opportunities and reducing regulatory friction. In the interest of expediency, we believe this review does not need to be conducted independently, instead, it can be effectively led by the relevant Government Departments in close collaboration with industry stakeholders. However, prior to undertaking this broader review, it is critical that the Queensland Development Code is improved and made fit for purpose, particularly in how it addresses small lot housing. We also note that the recommendation to amend the Planning Act to standardise zoning types may be redundant, as this capability already exists under *The Planning Act 2017*.

Request for Information – Design of Planning Regulation

In relation to the request for information about "what other mechanisms could help to better align regulatory outcomes with community preferences" it is important to note that planning schemes are developed in consultation with the community and already reflect public/community interest. The issues with many of planning challenges are largely not the system itself but how it is utilised. It is unrealistic to expect that the entirety of the community and the development sector will always be aligned. Therefore, careful consideration should be given to any recommendation that risks adding further complexity to an already complex system.

Preliminary Recommendation 6 – Infrastructure Charging

The Property Council does not support **Preliminary Recommendation 6**.

While the Property Council acknowledges the current infrastructure funding process has limitations, we do not support a full independent review of infrastructure charges given the risk it will result in increases to the current caps which would significantly undermine the confidence of the sector to undertake new development.

The Property Council has long been firm in its position that any recommendation to lift infrastructure charging caps is fundamentally flawed and counterproductive. As it stands most developers already pay well above the capped rates due to negotiated infrastructure agreements or additional levies imposed by councils. Raising the caps further would not improve infrastructure delivery it would simply increase the cost of development, which is ultimately passed on to buyers and renters or worse, renders development unviable. Any position that directly contradicts the policy objective of boosting supply should be avoided at all costs, in order to enable more homes to be built, increasing financial barriers for the private sector is unproductive and counter to the intent of the QPC's objectives.

As outlined in the QPC's interim report, a similar review in NSW took eight months and required significant engagement. Given the intent of this report is to improve productivity (and to improve it swiftly), we believe the focus should be on finding more productive ways to use the existing infrastructure funding captured across the public and private sector.

One immediate measure that could be easily adopted is to use the upcoming review of Queensland's regional plans to align government infrastructure funding with development fronts, whereby combining infrastructure charges captured by the development sector with government infrastructure funds. Currently government infrastructure funding is committed on a case by case basis, with programs such as the Residential Activation Fund requiring applicants to complete lengthy applications that are then assessed by government. A more efficient process is for infrastructure funding to be committed to the highest growth Council areas, effectively incentivising those Local Government Areas accommodating growth.

To assist with the timely delivery of infrastructure we would also recommend the current scope of government infrastructure funds be increased and expanded to support other property including industrial, commercial and social infrastructure. This could be achieved by quarantining the stamp duty, land tax, infrastructure charges and other property-related taxes captured from the property industry into a dedicated infrastructure fund. By transparently quarantining this funding into a dedicated infrastructure fund it would give councils, government and industry the confidence that infrastructure funding raised in an area will be invested back into supporting the growth of the area. This transparency would also give the community confidence that the necessary infrastructure to support their community's growth will be delivered.

Approval processes

Preliminary Recommendation 7 – Planning and development approval processes

The Property Council supports the intent of **Preliminary Recommendation 7** but notes that Queensland already has a sufficient number of development pathways in place. The focus should be on improving the utilisation and efficiency of these existing pathways, rather than introducing new ones that may create confusion and complexity for industry. Streamlining current processes and enhancing coordination across agencies will deliver greater benefits than adding further layers to the system.

Currently, there are several alternative "routes" for development outside of a typical local government planning scheme, including **Ministerial Infrastructure Designations (MIDs)**, **State Facilitated Development (SFDs)**, and **Priority Development Areas (PDA's)** via Economic Development Queensland. The focus should be on better utilising the mechanisms we already have available, rather than introducing new pathways that may add confusion and complexity for industry.

Options to better utilise the pathways we have available include :

- Removing low risk applications from the system to free up capacity for larger, more complex developments
- Improving coordination and consistency across existing pathways to ensure they are used effectively and transparently
- Streamlining assessment processes to reduce delays and improve certainty for applicants.

By enhancing the efficiency of current mechanisms, we can better support housing delivery and infrastructure alignment without adding further regulatory layers.

Reform Direction 5 – Planning and development approval processes

The Property Council supports **Reform Direction 5**. To make the process more efficient it should be targeted at low risk projects such as those controlled by the Queensland Development Code (QDC) or small scale, compliant subdivisions.

Preliminary Recommendation 8 and Request for more Information – Planning and Development Approval Processes

The Property Council supports **Preliminary Recommendation 8**, however it is imperative that this monitoring also includes infrastructure providers given they can frequently be a key element in determining how quickly a development can be completed.

Zoning regulations and land supply

Preliminary Recommendation 9 – Zoning Regulations and Land Supply

The Property Council supports **Preliminary Recommendation 9** and all other efforts to increase the supply and density of housing in well located areas. To compliment this objective any changes should not relate to density alone. They should also be supplemented by appropriate provisions related to car parking, private open space, refuse, setbacks and site cover which can also impact the feasibility of development.

Noting the QPC's comments that government should "institute a rigorous process that includes open consultation on how and where greater densities should be achieved to improve housing affordability and maximise net benefits to the broader community." In the interest of streamlining efforts to boost housing supply, the Property Council believes that such a consultation would be time consuming, costly and duplicative of similar planning work that has already occurred. For example, the South East Queensland Regional Plan already provides and caters for high amenity areas. It is already clear where higher densities should be encouraged (well serviced areas close to transport hubs etc) and if implemented the recommendations will help address many of the challenges of higher density development, additional consultation would be superfluous.

It is important to note that in addition to allowing for higher densities in higher value areas it is essential provide flexibility in lower density areas where to economics of minimum densities can stymie development or render it unfeasible.

Preliminary Recommendation 10 and Request for more Information – Zoning Regulations and Land Supply

The Property Council supports **Preliminary Recommendation 10**, noting that targets and reporting are essential to track and monitor success however it is imperative that these targets and reporting requirements should not be overly onerous so that they distract or impede a local government from the chief task – facilitating new supply to meet our growth.

The Property Council also support incentives for local governments who meet and exceed their targets and potential penalties for those who do not. However, it is vital that these any penalties or ramifications applied to Council do not impact resourcing or come at a cost to the development sector and community.

Increasing support for zoning reforms

Reform Direction 6 and Request for more information– Community Support for Housing Development and Reform

The Property Council supports efforts to better inform and educate the community about development. However, we caution against approaches that may give disproportionate influence to anti-development voices, often dominated by a vocal minority with the time and resources to participate, but who may not reflect the broader community. Any engagement initiatives must be assessed through the lens of whether they contribute to boosting productivity, increasing supply, and fostering meaningful dialogue.

As it stands, the current system makes it too easy for vocal community groups to politicise development proposals. This creates an environment where governments may be tempted to leverage opposition to otherwise appropriate and meritorious projects for short-term political gain, ultimately at the detriment to the delivery of critical housing supply.

Any community education or consultation process should prioritise engaging the broader, often underrepresented majority, rather than amplifying hyper-localised voices driven by individual interests. These efforts should also focus on highlighting the benefits of development and addressing persistent perception issues surrounding the private development sector – which, despite being politically targeted in the past, remains responsible for delivering 96 per cent of Queensland’s housing supply.

If implemented, Preliminary Recommendation 10 would enhance transparency by identifying which Local Governments are effectively planning for growth and which are falling short. This would enable the State Government to use data-driven insights to intervene where necessary and ensure growth targets are being met

Overall, this is an ambitious, long-term reform agenda. While building community support for housing development is important, there are more immediate and direct actions the QPC and government can prioritise to rapidly unlock housing supply.

Key Area 3: Improving the Regulation of Building Activity

Building regulations (*Preliminary Recommendation 11 – Impacts arising from NCC 2022, Preliminary Recommendation 12 – Future Regulatory Changes to building codes, Request for information – Impacts arising from NCC 2022*)

The Property Council understands that groups such as the UDIA and Master Builders have provided extensive feedback as part of their submission.

Reform Direction 7 and Request for Information – Stock Review of building regulation and standards

Given the accumulation of regulation and red tape across Queensland's building and construction sector, the Property Council supports the need for a comprehensive review. In addition to addressing key issues through an initial review, this process should be iterative and conducted annually to ensure Queensland remains a national leader in red tape reduction and efficiency within the construction industry.

Reform Direction 8 – QBCC Performance and Request for Information – QBCC Performance

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Request for Information – Threshold for Insurable works

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Request for Information – Deposit Caps

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Financial Regulations

Preliminary Recommendation 13 and Request for Information – Minimum Financial Requirements

The Property Council supports **Preliminary Recommendation 13** to review and reform Minimum Financial Requirements (MFRs) for builders. Simplifying the MFR system would reduce compliance costs, improve transparency, and allow builders to focus more on delivering quality construction outcomes rather than navigating complex financial reporting. Reforming the MFRs would also help align regulatory oversight with actual business risk, fostering a more resilient and productive construction sector in Queensland.

Preliminary Recommendation 14 – Trust Account Framework

The Property Council supports **Preliminary Recommendation 14**. We have consistently raised concerns about the excessive cost, complexity, and administrative burden imposed by the current PTA system. As it stands, the framework has not effectively addressed the payment security issues it was designed to solve and instead creates significant compliance challenges for builders and developers. Reforming the PTA regime would reduce unnecessary red tape, improve operational efficiency, and make the system more proportionate to actual risk. Crucially, it would also support greater industry participation and competition, particularly among smaller operators who are disproportionately affected by the current requirements.

Modern Methods of Construction

Preliminary Recommendation 15/Request for more information – Modern Methods of Construction

The Property Council supports all three of the recommendations listed in **Preliminary Recommendation 15**, but believes there is scope for the Queensland Productivity Commission to advocate for more ambitious reform. While the interim report identifies policy neutrality, **Modern Methods of Construction (MMC)** should be prioritised given its potential to accelerate development, ease labour force pressures, and deliver significant benefits to a state as decentralised as Queensland.

As highlighted in our previous submission MMC has a range of proven potential benefits based on international evidence including:

- Reducing build time by 20-50 per cent, enabling faster housing delivery.
- Improving on-site labour productivity by up to four times and cut site time by 50 per cent.
- Delivering 5-20 per cent cost savings at scale and reduce material waste by up to 80 per cent. If 30 per cent of Queensland's low-rise housing adopted MMC with a 25 per cent faster cycle, output could increase by 2,000-3,000 dwellings annually, helping close the housing supply gap.

Given these potential benefits and the scale and urgency of our growth challenge, government cannot adopt a "hands off approach" to MMC development. Currently there is too much risk and not enough scale in the market for the private sector to invest meaningfully in MMC. Unless there is direct government intervention MMC developments will only progress sporadically in the near to medium term and will not play a substantial role in responding to growth.

In the current market developers and builders are at capacity and will not risk the significant upfront investment needed to convert a portion of their business to something that embraces MMC methods. A lack of willingness by the banks to finance MMC, the regulatory barriers identified in this report, and a lack of appropriately skilled workers are all factors that exacerbate this. In summary, there is a penalty in being a "first mover" and no one in the private sector will make necessary investment at the scale or pace that we need.

Government can play a critical role by prioritising the use of MMC in its procurement practices where appropriate. This should be targeted at sectors where there is enough scale for the efficiencies of MMC to be realised. This includes the development of correctional facilities, health infrastructure, educational facilities and social housing.

These product types are typically more standardised (eg the duplication of hundreds of cells in a correctional facility) making them more suited to MMC. Furthermore, given the end client is effectively the government as opposed to the consumer there is no stigma attached to product that may impede sales. For example, while MMC is internationally proven to be able to provide bespoke, high-quality housing, the modular housing industry still struggles with the perception that it can only produce temporary, cookie cutter housing colloquially known as "dongers".

A government lead approach through a guaranteed pipeline of work that businesses can tender for than this will incentivise businesses to tailor their operations, technology and skills base to deliver MMC product.

Additionally, the health, corrections, and educational sectors represents a significant portion of the public sector development pipeline. By focusing on embracing automation and innovation in these areas government will free up a significant pipeline of labour that can then be directed to other major projects.

Other policy levers that could be considered by the Queensland Government to facilitate the development of Queensland's nascent MMC industry include:

- Introducing general MMC-specific procurement incentives, such as bonus weighting in tenders or pilot programs
- An improved Skills & Workforce Strategy that reforms industrial relations to allow smoother movement of skilled trades across borders and through migration.
- Expanding and investing further in QBuild to skill new and upskill existing tradespeople in modular construction methods and incorporate more women in construction.

For consideration, the Property Council has also included the following international examples of how governments have leveraged the benefits of MMC through procurement.

The UK Government's New Hospital Programme (NHP) – aims to deliver forty new hospitals by 2030 and has adopted a modular, standardised construction approach known as Hospital 2.0 to accelerate delivery and improve efficiency.³

- Hospital 2.0 is a design and delivery model that uses MMC, including manufacturing-led assembly, to speed up hospital builds and reduce costs.
- The approach is standardised, allowing for:
 - Economies of scale
 - Faster construction timelines
 - Improved productivity
 - Iterative learning across projects
- Modular construction is central to this strategy, enabling hospitals to be built more quickly and with consistent quality.
- The programme offers long-term certainty to the construction industry by committing to rolling 5-year waves of investment, which encourages firms to invest in capacity and innovation.
- This shift from bespoke hospital builds to a programmatic, repeatable model is designed to overcome historical issues of delays and budget overruns in NHS infrastructure projects

Hong Kong – Public Housing via Modular Integrated Construction (MiC) – The Hong Kong Housing Authority has committed to using MiC for at least 50% of public housing projects between 2028 and 2033.⁴

Strategic Adoption:

- The Hong Kong Housing Authority (HA) has committed to using MiC for at least 50% of public housing projects scheduled for completion between 2028/29 and 2032/33.
- Remaining projects will adopt Design for Manufacture and Assembly (DfMA) principles.
- Over 50% of suitable projects have already been identified for MiC adoption as of June 2024

Rationale for MiC:

- MiC addresses key challenges in Hong Kong's construction sector, including:
 - Labour shortages
 - Ageing workforce
 - Need for faster, safer, and more sustainable construction
- Public housing developments (PHDs) are well-suited to MiC due to their standardised designs and high repeatability, which support mass production and prefabrication.

³ New Hospital Programme: plan for implementation, UK Department of Health and Social Care, 2025

⁴ Report on the Use of Innovative Technologies in Public Housing Development and Construction, 2021
Property Council of Australia (QLD) Response to QPC Interim Report August 2025

- Benefits of MiC:
 - Enhances construction productivity and site safety
 - Reduces on-site labour dependency
 - Improves transportation logistics and build quality
 - Supports green construction and sustainability goals

Ecosystem Development:

- HA is actively collaborating with industry stakeholders to build a sustainable MiC ecosystem, including:
 - Upstream supply chain development
 - Logistics optimisation
 - Workforce reskilling
 - Advancement of construction technologies

UK – Presumption in Favour of MMC Policy – Since 2019, UK government departments have operated under a “presumption in favour” of off-site construction.⁵

The MMC Guidance Note outlines the UK Government’s strategic commitment to accelerating the adoption of modular and platform-based construction methods across public infrastructure projects.

This commitment was reinforced through the Construction Playbook and the Transforming Infrastructure Performance (TIP) roadmap.

Platform-Based Modular Design:

- The guidance promotes a Platform Design for Manufacture and Assembly (P-DfMA) approach, which standardises components and processes across projects.
- Modular construction is seen as a way to reduce costs, improve delivery speed, and enhance quality.

Contracting Reform:

- Traditional contracting models are often incompatible with modular approaches.
- The guidance calls for new contracting frameworks that support MMC delivery, including early contractor involvement and outcome-based specifications.

Productivity & Sustainability:

- The construction sector’s productivity has lagged behind the broader economy by 21% since 1997.
- Modular construction is positioned as a key lever to reverse this trend and support net-zero and sustainability goals.

Workplace health and safety regulations

Preliminary Recommendation 16 & 17 and Reform Direction 9 – Workplace Health and Safety

The Property Council supports both **Preliminary Recommendation 16 & 17** As identified in our original submission our members have repeatedly expressed concerns to us about how current Workplace Health and Safety Laws are being exploited by Unions such as the CFMEU to exert control over Queensland constructions sites.

⁵ Modern Methods of Construction, Government Commercial Function, 2022
Property Council of Australia (QLD) Response to QPC Interim Report August 2025

As the Property Council articulated in our original submission:

"The safety on site is not negotiable and every worker should return home to their families safely after every shift. There are numerous industry sources that have provided extensive testimony indicating that in some instances Workplace Health and Safety provisions are being misused to delay and obstruct work. This includes examples of work being stopped due to perceived health and safety issues for matters that do not constitute a safety risk on site. Additionally, industry representatives have provided examples of safety committees representatives not meeting the necessary qualifications for the role (eg traffic controllers on WHS committees), and other examples where safety committee representatives have appeared more focused on controlling the terms and duration of work rather than being focused on worker safety. It is worth noting that there is a significant power imbalance particularly in this regard as the power is held solely by the WHS representatives with no avenue for the builder to provide input or dispute the conditions under which work was paused.

*These examples not only result in less productive worksites but by prioritizing work schedules over health and safety, they also undermine the important role of safety on worksites."*⁶

In relation to this, the Property Council has included the recommendations we included in our original submission to the QPC – noting that many of these issues may be being addressed concurrently by the Government's Commission of Inquiry into the CFMEU.

Recommendation 1 – Industry Regulator

The Property Council's preference is for the Federal Government to establish a national regulator with strong powers to oversee the building and construction sector ensuring compliance, improving culture, and stamping out criminal and corrupt behaviour. To that end, the Property Council supports the Construction Industry Compliance & Corruption Agency (CICCA) model proposed by the Master Builders Australia in [*"Breaking Building Bad"*](#). Establishing the CICCA would deliver nationally consistent standards and strengthen regulatory oversight across all jurisdictions.

In the absence of a national regulator, the State Government should move to implement a State Government Industry Regulator that has broad reaching powers including:

- a. To investigate, conduct examinations, and answer compulsory questions, as well as enter and observe warrants to attend akin to the WHS Act and Ombudsman Act.
- b. To gather in-camera evidence, and statutory protections to withhold names akin to the WHS Act.
- c. Issue orders to stop harmful actions impacting productivity and refer issues to other bodies.
- d. Issue fines or penalties and refer for criminal charges as necessary.
- e. Review the Workplace Health and Safety Act to ensure it prioritises safety while also giving consideration to on-site productivity. Workplace safety and productivity can and should be achieved in conjunction with one another.

⁶ INQUIRY INTO OPPORTUNITIES TO IMPROVE CONSTRUCTION PRODUCTIVITY, Property Council of Australia, 2025

Successful implementation of such a state-based regulator, would require significant industry consultation prior to implementation and the support of the Queensland Police Service and other State Procurement Bodies.

Recommendation Two – Strengthened Whistle Blower Protections

To ensure the success of a national or state-based regulator, there must be appropriate and robust whistleblower protections. As it stands, there is deep fear across the industry for individuals' safety, both professionally and personally, when speaking out against misconduct. Without clear safeguards, the risk of silence and inaction remains high, undermining the very purpose of regulatory oversight. A review of the existing laws will be necessary to ensure appropriate amendments can be made to strengthen legislation to ensure clear protections for those individuals and companies and criminal penalties for any individuals or organisation that seeks to intimidate or harm any individual who comes forward.

Recommendation Three – Greater protection for sub-contractors

Addressing the entrenched power imbalance on construction sites requires a firm regulatory response. The industry regulator would be required to be empowered with clear and enforceable authority to verify that Enterprise Bargaining Agreements (EBAs) are genuinely negotiated and agreed upon – free from coercion or undue influence.

In parallel, greater protections must be afforded to subcontractors, who often bear the brunt of industrial pressure and unfair contracting practices. This includes safeguarding their right to work without intimidation, ensuring payment security, and protecting their ability to engage in projects without being forced into unauthorised or non-negotiated EBAs. These measures are critical to restoring balance, fairness, and productivity across Queensland's construction sector.

Key Area 4: Improving Labour Market Operation

Reform Direction 10 and Request for Information– Training and Apprenticeships

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Preliminary Recommendation 18 – Review of Occupational Licensing

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Request for Information – Prioritising Occupational Licensing Reviews

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Preliminary Recommendation 19 – Regulatory Impact Analysis of Pending Occupational Licensing

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Preliminary Recommendation 20 – Removing Barriers to Labour Mobility

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Reform Direction 11 – Opportunities to better utilise skilled overseas migration and Request for Information – Opportunities to better utilise skilled overseas migration

The Property Council supports **Reform Direction 11** a strategic and targeted approach to skilled migration as a key lever to address labour shortages in the construction sector. We urge the Commission to advocate for the State to work with the Commonwealth to reset migration settings that prioritise construction trades, particularly given the sector's essential role in delivering critical housing and infrastructure required by the State. With only 1.8 per cent of permanent migrants over the past two decades entering construction trades, there is a clear opportunity to better align migration policy with workforce needs. Skilled migration must complement domestic training efforts and support regional growth, while also delivering broader economic benefits.

Reform Direction 12 – Labour Hire licensing

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Request for Information – Labour Hire Regulation in Construction

The Property Council supports the proposals of other industry bodies more well versed in this space such as Master Builders.

Other areas

Taxes on foreign investment

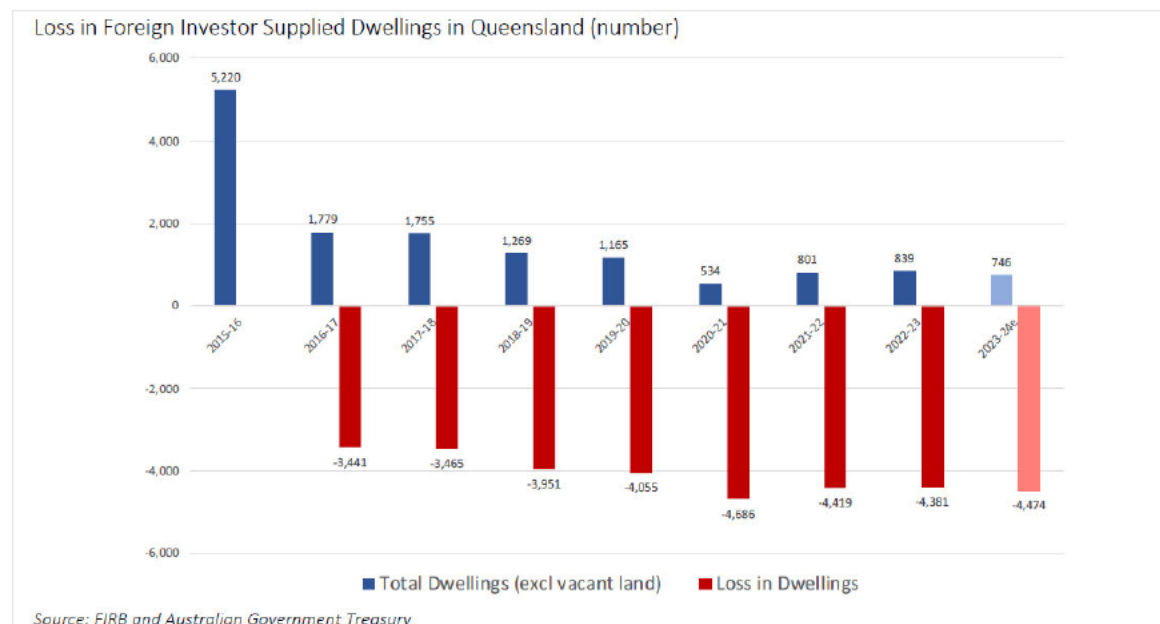
The Property Council welcomes the Commission's acknowledgement of the critical role international capital plays in delivering housing and infrastructure across Queensland. As highlighted in the QPC's interim report and reinforced by recent budget commitments, attracting and retaining global investment is essential to meeting our state's housing targets, supporting jobs, and unlocking regional growth.

The Property Council further welcomes the QPC findings that foreign investment *"likely increases the capital stock, reduces financing costs and improves project viability. Stakeholders have said that foreign investment helps progress construction projects and is often a key difference between a project being viable or not."*

Over many years, the Property Council has cautioned governments against short sighted tax settings that deter much-needed investment in the Queensland economy. Regrettably, our warnings have not been heeded, leading to poorly constructed policy that results in Queensland missing out on thousands of homes, millions of dollars of investment and the reputation as a place that is open for business.

Queensland's current tax settings—particularly the Foreign Land Tax Surcharge (FLTS) and Additional Foreign Acquirer Duty (AFAD) have significantly deterred international capital. Research shows these

taxes have contributed to the loss of over 32,000 dwellings, \$17.8 billion in investment, and up to 37,000 jobs since their introduction.⁷



Alarming, the “foreign” taxpayers that have borne the brunt of these tax increases are not (as they are depicted to be) foreign buyers looking to crowd Queenslanders out of housing, or faceless investment funds looking to move capital offshore. Many of the companies that pay foreign taxes are household names that have been based in Queensland for decades, they employ Queenslanders and, critically, are at the coalface creating housing for Queenslanders. These tax settings have disproportionately impacted Australian-based developers who rely on offshore capital to deliver homes and communities for Queenslanders.

The impact of these taxes has driven out critical investment from Queensland, the very capital that builds our apartments, Build to Rent towers, Retirement Living homes, purpose built student accommodation, industrial and commercial office developments – into the waiting arms of more competitive jurisdictions. It is no accident that concurrently our apartment pipeline has all but dried up. Queensland has not delivered the quantum of apartments required under the South-East Queensland Regional plan since 2019.⁸ This looks set to continue for the foreseeable future, with future supply set to fall short of the targets stipulated by the regional plan by between 800 to 1000 dwellings annually.

Examining overall housing and apartment approvals reveals that approvals have largely flatlined after steadily increasing on an annual basis prior to the introduction of AFAD as depicted in graph below. This is despite increasing population pressure and the concerted efforts of policy makers to respond to the housing crisis.

⁷ Time for a fair Go, Property Council of Australia, 2025

⁸ Brisbane apartment snapshot, Property Council of Australia, 2025
Property Council of Australia (QLD) Response to QPC Interim Report August 2025

Figure: Queensland Building Approvals – Number (Houses and Apartments)



Source: Australian Bureau of Statistics

The QPC report outlines feedback that Queensland's ex gratia relief, is protracted, offers little certainty, we strongly support the Treasurer's 2025-26 Budget commitment to review the ex gratia relief guidelines for FLTS and AFAD, in consultation with the Property Consultative Committee. This review is currently underway, and in order to ensure that the impact of both FLTS and AFAD are mitigated it is essential that the ex-gratia relief is overhauled to support the below reforms:

1. Introduce legislative exemptions from FLTS and AFAD for Australian-based developers and long-term landholders who contribute significantly to the Queensland economy.
2. Replace the current ex gratia relief system with a clear, upfront exemption framework embedded in legislation, modelled on the NSW regime.
3. Streamline application processes through registration under the *Taxation Administration Act 2001 (Qld)*, allowing developers to gain exemption status in advance of acquisitions.
4. Clarify eligibility criteria for exemptions, including definitions of "Australian-based" and "significant contribution," and provide transparent guidance through new rulings.
5. Update the definition of 'foreign person' to require more than 50% foreign ownership and exclude listed entities from being deemed foreign.
6. Enable reassessment of AFAD where land ceases to be residential within 12 months of acquisition.
7. Amend Build-to-Rent (BTR) concessions to allow ongoing land tax relief for qualifying developments, with clearer eligibility criteria and continuity of exemption while the original owner holds the land.

Utility connections

The Property Council supports this recommendation and believes it must be prioritised. Lagging service standards from utility providers are routinely one of the biggest frustrations and challenges faced by our members.

The issues with the provider change dependent on the entity, however, they are typically not only relate to frustration with service standards/poor connection times but the lack of avenues by which to address these issues. Furthermore, our members have noted that certain utility providers/staff members can become prejudiced against certain businesses and individuals and delay work if criticized.

To address this issue, at a minimum there needs to be oversight to ensure utility providers align with existing agreed standards and operating manuals.

Another option to address the issue would be to consider how the scope of the existing Queensland Ombudsman could be immediately expanded to include issues with utility connections. This would provide the development sector with an avenue to make complaints and for the Ombudsmen to work with the involved entities to identify solutions or provide direction when necessary.

Energy Queensland EBA

The Property Council supports both of these recommendations that should be undertaken in tandem. We understand that these issues will be fully addressed by Master Electricians Australia (MEA) given its direct application to their members.