

24 September 2025

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Director
Queensland Productivity Commission (QPC)
Email: ██████████

Dear ██████████

Re: QREC response to Interim Report – Opportunities to improve productivity of the construction industry

The Queensland Renewable Energy Council (QREC) welcomes the opportunity to respond to the Queensland Productivity Commission's Interim Report on construction productivity. We acknowledge the QPC's consultative approach and commend the breadth of analysis and recommendations outlined in the report. QREC further appreciates the opportunity to provide this response slightly after the formal due date for submissions.

As outlined in our [Preliminary Input](#), QREC represents grid-scale renewable energy developers in Queensland and is committed to ensuring the State's energy transition delivers long-term economic, social, and regional benefits. The renewable energy industry is a growing driver of construction activity in Queensland, particularly in regional areas. Many of the sector's challenges mirror those identified in the Interim Report.

Importantly, many of the themes and recommendations in the Interim Report also directly align with QREC's [Queensland Renewables Growth and Investment Strategy](#) (QRGIS), released in August 2025, which outlines the key enablers of a resilient, investible, and regionally grounded renewable energy transformation.

This submission responds to those findings and recommendations in the Interim Report that intersect with issues raised in QREC's preliminary input, namely:

- Local procurement policy and the Local Benefits Test (*Preliminary Recommendation 3*);
- Best Practice Industrial Conditions (*Preliminary Recommendation 4*);
- Queensland Building and Construction Commission (QBCC) licensing reform (*Reform Direction 8*);
- Training and apprenticeships (*Reform Direction 10*); and
- A recommendation to strengthen First Nations employment and procurement opportunities.

Local procurement policy and the Local Benefits Test

QREC acknowledges that the Local Benefits Test and Queensland Renewable Energy Procurement Policy apply only to Queensland Government agencies, and therefore within the renewable energy sector, only applies to Government-Owned Corporations (GOCs). The Interim Report accurately identifies the potential commercial impact of the Local Benefits Test on renewable energy projects owned and operated by GOCs, however cites QREC's feedback from our Preliminary Input out of context in terms of the Local Benefits Test (p. 108). To clarify, in our Preliminary Input, QREC noted some developers are struggling to meet procurement targets under fixed frameworks such as the Capacity Investment Scheme (CIS) due to the fluctuating nature and scale of construction activity across different Queensland regions.

QREC acknowledges the QPC's Preliminary Finding that overly prescriptive or burdensome procurement requirements on GOCs risk distorting procurement priorities and may divert attention away from delivering value-for-money outcomes. We share the QPC's concern that the application of the Local Benefits Test by procuring officers introduces scope for external influence and is likely to decrease transparency.

Further, QREC notes that recent reforms to the *Planning Act 2016* now require proponents of large-scale wind and solar projects to undertake a Social Impact Assessment (SIA) and enter into a Community Benefit Agreement (CBA) with the respective local government, prior to lodging a development assessment.

These changes will shift the emphasis for local procurement and local employment initiatives to the local government area (LGA) level, rather than being determined through centrally applied procurement policies. In this context, place-based procurement responses – co-designed with regional communities and councils – are more likely to result in meaningful and targeted local benefits than uniform policy mechanisms such as the Local Benefits Test.

QREC supports Preliminary Recommendation 3 – Queensland Government Procurement Policies, which states that procurement policies should be simplified, and unless they provide demonstrable net benefit to the community, should not be mandatory requirements in government procurement processes.

We support reform directions that streamline procurement, improve transparency, and ensure that local benefits are achieved through fit-for-purpose, regionally tailored, and outcomes-focused mechanisms, rather than generic compliance processes.

Permanently suspend Best Practice Industrial Conditions (BPICs) for renewable energy projects

QREC welcomes the QPC's thorough analysis of the economic and operational impacts of Best Practice Industry Conditions (BPICs) as presented in Section 6.1 of the Interim Report. We note that Preliminary Recommendation 4 proposes the permanent removal of BPICs from Queensland Government procurement policy. QREC strongly supports this recommendation.

As outlined in our Preliminary Input, there are concerns about the adverse impacts of BPICs on the renewable energy sector. While introduced with the intention of improving safety and working conditions on major state-funded construction projects, BPICs have had unintended consequences for industry productivity, workforce availability, and the commercial viability of clean energy projects in Queensland.

From a renewable energy investment perspective, BPICs have affected investor confidence and created inconsistency in the treatment of major infrastructure. Projects already constrained by supply chain bottlenecks, regional workforce shortages, and policy uncertainty cannot also absorb unnecessary cost structures and productivity barriers.

QREC further supports the QPC's conclusion that most safety-related provisions in BPICs are already covered under the *Work Health and Safety Act 2011*, relevant codes of practice, and standard industrial awards. The QPC rightly concludes that BPICs are an inefficient and duplicative mechanism to achieve health and safety outcomes, and that alternative levers may be more effective in achieving goals around mental health, diversity, and workforce inclusion.

This recommendation aligns with Pillar 3 of QRGIS – 'Creating a world-class development framework to unlock the next wave of investment' – which highlights the need for consistent and fit-for-purpose policy frameworks that avoid duplication and remove unnecessary regulatory friction for industry and investors.

Clarifying QBCC licensing

QREC strongly supports Reform Direction 8, which (in part) proposes a review of the Queensland Building and QBCC's licensing framework. This recommendation aligns with QREC's Preliminary Input to the QPC, which raised concerns regarding the application of current QBCC licensing requirements to the operation and maintenance of utility-scale wind farms.

As previously highlighted, renewable energy projects are regulated assets with high-voltage operating conditions and require highly specialised workforce competencies governed by national electrical and safety legislation. The QBCC licensing regime, originally designed for residential and commercial builders, is not fit-for-purpose for the ongoing operation and maintenance of utility-scale wind turbines.

We therefore welcome the QPC's intention to assess the regulatory overlap between QBCC's current scope and other existing licensing regimes. QREC encourages the Final Report to recommend that:

- QBCC licensing exemptions be extended to cover wind farm operation and maintenance work, where risk is already mitigated under other frameworks (such as the *Electrical Safety Act 2002*); and
- The licensing framework be modernised to reflect the increasing presence of renewable energy assets in Queensland's infrastructure mix.

Training and apprenticeships

QREC supports the QPC's proposed Reform Direction 10 to better align public investment in training and apprenticeships with industry needs. This reform direction reflects a significant renewable energy industry concern: the persistent shortage of skilled workers for construction, particularly in regional areas, and particularly for the State leading up to the 2032 Brisbane Olympic and Paralympic Games.

In our initial Preliminary Input, QREC welcomed the work of the Queensland Renewable Energy Jobs Advocate and noted the importance of targeted reforms to the education and training system. The Interim Report highlights that low uptake of apprenticeships and a misalignment between training products and employer needs are major productivity issues – findings that resonate with the renewable energy industry.

We recommend that the Final Report:

- Endorse specific training streams and short-form credentials tailored to grid-scale wind, solar, battery storage system (BESS), and transmission construction;
- Promote place-based workforce planning across government, training providers, and industry to address regional and remote labour shortages; and
- Recognise the role of flexible training models to upskill workers from adjacent sectors (e.g., mining, civil).

These proposals are consistent with Pillar 2 of QRGIS – “Partnering with regional Queensland for a coordinated, value-driven transition” which calls for coordinated initiatives such as workforce training to ensure Queensland captures the full economic and employment benefits of the energy transition.

First Nations employment and procurement: a missed opportunity

QREC respectfully highlights the absence of any findings or recommendations in the Interim Report addressing the productivity and equity challenge associated with inconsistent First Nations engagement, employment, and procurement outcomes across Queensland's construction and renewable energy projects.

As outlined in our Preliminary Input, QREC is aware that while some proponents operate to leading-practice standards, some may not. Companies are also struggling to meet both voluntary and mandatory targets under the CIS in relation to First Nations outcomes. This lack of consistent delivery impairs the ability of communities to benefit from the energy transition and represents a missed opportunity to enhance energy equality, regional productivity, supply chain resilience, and social license.

We strongly encourage the QPC to consult with First Nations representative groups such as the Queensland Indigenous Business Network (QIBN), and the First Nations Clean Energy Network (among others), and incorporate a recommendation into its Final Report that:

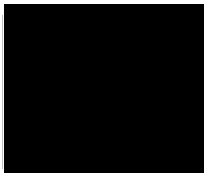
- Calls for a State-wide strategy to embed First Nations employment and procurement frameworks into major construction projects;
- Supports capacity-building partnerships between industry, First Nations, and training providers; and
- Promotes data transparency and accountability on outcomes to ensure First Nations participation is both measurable and meaningful.

Such measures will help close current policy gaps and meet the State Government's commitment as a signatory to the [First Nations Clean Energy Strategy 2024-2030](#) by ensuring the benefits of construction-led growth extend to all Queenslanders, including First Nations people as rightsholders. Pillar 2 of QRGIS highlights the importance of First Nations-led participation and includes a specific commitment to strengthening the role of First Nations peoples in the transition to clean energy. Embedding these expectations into the construction industry's productivity narrative is vital to addressing long-standing inequities and delivering fair and lasting outcomes for First Nations communities.

QREC thanks the QPC for the opportunity to provide input to this important reform process. We support the direction of the Interim Report and welcome the alignment with several priority areas for Queensland's renewable energy sector.

We remain available to provide further insights and would be pleased to contribute to the next stage of the Commission's work. Please do not hesitate to contact me – my email is [REDACTED] or you can reach me directly on [REDACTED]

Sincerely



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Queensland Renewable Energy Council

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