



21 May 2025

Angela Moody
Productivity Commissioner and Chair
Construction Productivity Inquiry
Queensland Productivity Commission
e: enquiry@qpc.qld.gov.au

Dear Commissioner,

Affordable housing is an issue we have been working on for many years within the Noosa electorate as we have experienced low affordability, poor housing availability and choice, and the resulting homelessness.

In December 2020 I established a Housing Action Group for the Noosa region to address the affordable housing crisis, and continued to raise in Parliament with statements in September 2020 and August 2021, before it was finally acknowledged in 2022 with the Queensland Housing Summit, and have continued to advocate since then.

As we know, housing is driven by supply and demand, however government actions and regulations can have dramatic influences on these with investment subsidies on the demand side and regulations pushing up construction costs on the supply side.

For this reason the new Queensland Productivity Commission (QPC) inquiry into the construction sector is a valuable opportunity to identify areas of reform that could address the issues faced in making available affordable housing for Queenslanders. We have summarised six key issues identified to this office out of many, which we have outlined below.

1. Best Practice Industry Conditions

Our office has received representations regarding the impact on business of the Queensland Government's 269 page long, currently suspended, '[Standard Best Practice Industry Conditions \(BPIC\) – Building Construction Projects 2023 – 2027](#)'.

These principles are applied via government procurement contracts and so for the companies impacted, it has the same effect as legislation. These conditions increase costs for businesses, and they include such requirements as specifying that a temperature of 29 degrees is declared 'inclement weather' and double time for early starts. These add to the cost of construction.

While the principles apply to government contracts, by their nature they will apply to a company's staff and thus onto other service contracts a company may have, forcing up costs in those areas as well. This can put a company in an invidious situation where bidding for government contracts effectively makes them uncompetitive in all other areas.



It also pushes up costs as companies applying the conditions then compete with other businesses for workers, pushing up their employment costs.

The Australian Financial Review states that one and two-bedroom social housing projects in Townsville ended up priced at 30 per cent to 40 per cent more than expected – after painters, tilers and plasterers had to be paid large rates to attract them from BPIC projects¹.

As reported in realestate.com.au, research by Urbis reveals a third of apartment projects are at risk of being delayed or shelved altogether thanks to a combination of labour shortages, construction costs, union interference, and Queensland's BPIC policy². For these reasons the BPIC should be fundamentally reconsidered.

2. Queensland Building and Construction Commission

In our electorate we have experienced the failings of the construction regulator, the Queensland Building and Construction Commission (QBCC), reducing confidence in the construction sector. Since 2020 we have raised with Government the issues our constituents as well other Queenslanders were having with the QBCC.

Last year a report in the ABC outlined the problems an Emerald couple had getting restitution through the QBCC³. It explains they were building their dream home however they found themselves after two years in a battle to get defects remedied in a house “plagued with issues” including unsafe wiring, missing cabinetry, and a leaking bathroom, with their concerns not addressed in a timely manner by the QBCC. The couple called on the QBCC to create an easier process for reporting defects and increased penalties for builders.

This is the same experience that another two residents of the Noosa electorate have raised, recounting the enormous, time-consuming, and unrealistic loops that are required leading to financial duress. One had constructed a house and pool, with several flaws in construction. After an inability to achieve satisfaction with the builder, they engaged in the dispute resolution process of the QBCC where identified serious failings were experienced.

In short, the three main short-term failings and how they can be addressed are -

- Having an inspection by a QBCC inspector is a crucial step in dispute resolution, yet in our resident's cases it took six months for an inspector to attend the property. This is not acceptable, especially when it is unsafe to move in; an inspector should be required to attend within 28 days in all cases.
- When a contractor is advised to rectify works through EDR (Early Dispute Resolution) and fails to do so, the QBCC requires the home owners to lodge a brand-new case and again wait in a nearly six-month waiting line to see an Inspector onsite. The QBCC needs a seamless internal process to hand over cases escalating from EDR to other areas of the QBCC and easy escalation to enforcement action.
- Homeowners currently must pay to have all testing reports and documentation issued to the Electrical Commission by the defendant. This should be provided free of charge.

¹ <https://www.afr.com/work-and-careers/workplace/cfmeu-conditions-risk-pushing-up-queensland-build-costs-by-a-third-20240710-p5jsfn>

² <https://www.realestate.com.au/news/scary-figures-were-only-building-half-of-the-housing-we-need/>

³ (<https://www.abc.net.au/news/2024-03-13/couple-calls-for-better-complaints-process-amid-build-dispute/103513360>)

What is deeply concerning is that in the end, builders and contractors are completely unafraid of the QBCC as a regulator as there is no consequence should work not be remedied. There could not be a more demonstrable indicator that the QBCC and its legislation have failures.

In the ABC article the QBCC is quoted as saying that “when it received a complaint, it was required to act impartially and ‘balance the interests’ of both sides”. This is a key failing of the QBCC legislation, as the focus of the QBCC should be on ensuring that domestic building works are completed to all construction, electrical and plumbing codes and meets all relevant consumer laws, regardless of any “balance of interests”.

A broad reform of the QBCC needs to be undertaken as part of the QPC’s review. A well run, efficient and fair QBCC will benefit consumers and the construction industry equally. Taking six months for an inspector to attend benefits no one.

3. Passive wastewater systems

We should continue to allow the installation of small-scale (under 8 person) passive wastewater systems for Queenslanders to keep costs down. Passive waste water systems treats wastewater using natural processes, relying on gravity and natural filtration rather than pumps.

New plumbing regulations require all passive wastewater system to treat the simultaneous waste of 8 people, regardless of the actual need.

With the average household size in Queensland approximately 2.6 people, and high demand for sole and couple sized accommodations in tiny homes and granny flats which amended rules allow anyone to rent, we need proportionally sized infrastructure to go with these as part of affordability, not ‘overreach’.

This imposes massive additional costs for seemingly no reason. If you have a one bedroom tiny home, you are not going to have 8 visitors for more than maybe an afternoon BBQ. The risk of overburdening the waste water system is very small.

These additional costs, when Queensland families are already facing uncertainty and cost of living difficulties through no fault of their own, needs to be eliminated.

4. Tiny homes

Tiny homes represent a useful alternative option for those who cannot or do not want to access expensive full sized dwellings and can help keep people away from having to live in their car or a tent. However our planning system does not recognize tiny homes: either they are classified as a caravan (for short term use) or a normal house (for longer term use) and in the later case have to meet all the building code and zoning requirements of a full scale dwelling.

Western Australia changed their law to allow staying in tiny homes for up to two years, and also changes to approval processes.

This points to opportunity to make changes in Queensland to have a separate or tailored regulatory regime for tiny homes that recognises their benefit as an alternate temporary or long-term housing option and work to expand their use rather than block them.

5. Short term accommodation

With the rise of on-line platforms we have seen the spread of STA in residential dwellings, and while it is technology based, it is also a ‘regulatory hack’, that through the operation of this system, accommodation that would have occurred in hotels (where it is authorised) is transferred to residential properties (where in many circumstances it is not).

Where STAs are a significant part of the accommodation mix, then this has the impact of increasing tourism accommodation at the expense of residential accommodation, both owner occupied and rental accommodation. The affect also is to remove the power of local council to determine the types of accommodation according to the planning scheme, decrease residential housing supply, and disincentivise the market to provide dedicated tourism accommodation.

In most areas this is not a particular problem, however it is in high tourism areas, as identified by the University of Queensland (UQ) Review of the Impacts of Short-term Rental Accommodation in June 2023, commissioned by the previous Government. This report made a set of recommendation that should be implemented.

Also, as per the motion authored by Noosa Council and passed at the annual Local Government Association Queensland conference in October 2024, the statewide STA registration scheme needs to include include booking data and real property addresses through a data-sharing agreement with the STA websites. This would support local councils with accurate data for policy and regulatory purposes and enable improved and consistent oversight of STA activities.

6. Injurious affection

Reforms should also be made to the injurious affection laws in Queensland. The legal principle of “injurious affection”, where land acquisitions by Government impact on other properties giving rise to compensation rights, is a common principle applied in land acquisition legislation along the eastern seaboard. Applying this concept to changes in the planning schemes appears to be unique to Queensland (it does not exist in NSW and Victoria).

It was called injurious affection in the Local Government (Planning and Environment) Act 1990, Part 3, titled “Existing Uses, Suspended Schemes and Compensation”. The current Act is the Planning Act 2016. This does not refer to “injurious affection” but does have similar compensation provisions in Part 4, Division 2, section 30.

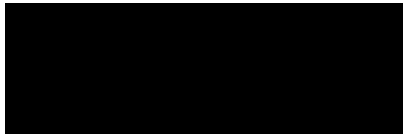
This law creates a significant financial risk for local governments (with limited resources) to make changes where prior use might exist.

Removal of this requirement for STAs would allow more flexibility for local government to control the use of residential properties for STA. By better controlling STA in residential properties, incentives can be maintained for developers to build holiday accommodation in appropriately zoned areas and ensure residential properties are used for housing.

As outlined at the beginning, this is only a sample of issues raised as a number are ‘anecdotal’ such as the impacts on costs and staffing from COVID, or in the federal realm of negative gearing and capital tax exemptions, immigration and import regulations. Then the costs from local governments through traffic management plans as an example, which will no doubt be raised by the industry, and Queenslanders endeavouring to build a home or a business.

If you have any questions or need more detail on any of these issues please don’t hesitate to contact my office on 5319 3100 or noosa@parliament.qld.gov.au and thank you for the work you are doing on behalf of Queenslanders.

Yours sincerely



SANDY BOLTON MP
Member for Noosa