

Comment – Planning Institute of Australia

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PIA welcomes the opportunity to contribute to the Queensland Productivity Commission's Inquiry into Construction Productivity. This submission highlights the important role of planning in supporting productivity, and identifies key opportunities to enhance productivity.

Angela Moody
Productivity Commissioner and Chair
Queensland Productivity Commission

Email: enquiry@qpc.qld.gov.au

Dear Commissioner,

Inquiry into Construction Productivity – Initial Stakeholder Input

The Planning Institute of Australia (PIA) is the national body representing the urban and regional planning profession. As the trusted voice on planning, PIA champions the vital role of good planning in shaping a more sustainable, inclusive, and prosperous Australia. Our strength lies in our diverse membership—planners working across all tiers of government, the private sector, and the not-for-profit sector—who bring insight, expertise, and commitment to planning communities.

PIA contends that planning is a key enabler of economic productivity, environmental sustainability, and community wellbeing. At its core, planning provides the strategic framework to coordinate land use, infrastructure investment, and housing in ways that achieve long-term public benefit.

As Queensland undergoes significant population growth and transformation, there is a need to ensure our planning, development, and infrastructure systems are equipped to deliver timely, coordinated and affordable development in the right locations.

Purpose of Submission

PIA welcomes the opportunity to contribute to the Queensland Productivity Commission's Inquiry into Construction Productivity. This submission highlights the important role of planning in supporting productivity, and identifies key opportunities to enhance productivity.

Relationship of Planning to Construction Productivity

PIA contends that construction productivity must not be viewed solely through the lens of regulation and red tape, but through a broader understanding of the structure and performance of the planning system. Ultimately planning is an enabling framework and not a delivery mechanism.

Good planning reduces uncertainty, streamlines decision-making, and aligns growth with infrastructure capacity and environmental constraints. It facilitates land use efficiency, supports climate resilience, and provides developers, community and local government with certainty regarding land supply and zoning expectations.

Conversely, the removal or weakening of planning controls at the coal face of the system often results in poorly located development, costly infrastructure retrofitting, or community opposition that ultimately slows down construction.

Evidence shows that many of the constraints on housing delivery and construction productivity—such as infrastructure coordination, market conditions, development finance, and construction sector capacity, which are fundamental to delivery—are not within the control of the planning system. Planning enables development-ready land and establishes long-term pipelines of well-located housing, but it cannot compel development commencement or guarantee construction outcomes when broader economic conditions are not conducive.

As PIA has consistently advocated, planning reform should not be pursued simply to remove perceived barriers, but rather to better coordinate land use, infrastructure and housing delivery and facilitate prosperity in an equitable, efficient, and sustainable manner.

Summary Statement

To support construction productivity, Queensland has the opportunity to strengthen the enabling role of good planning across infrastructure funding and coordination, development viability, and housing supply monitoring.

PIA's recommendations focus on enhancing the performance of Queensland's planning framework to deliver better productivity outcomes, through strategic improvements to enhance effectiveness and efficiency.

The following four (4) reforms are central to that goal:

1. **Review Queensland's infrastructure funding and costing framework** to ensure it supports equitable, efficient, and timely infrastructure delivery aligned with population and employment growth.
2. **An independent review of the relationship between Queensland's Planning and Building frameworks** to provide greater clarity, efficiency and accountability.
3. **Undertake a comprehensive review of the full lifecycle costs of different development types** to determine which forms of growth offer the highest long-term productivity, and to clarify who bears which costs across the public and private sectors.
4. **Establish a Growth Monitoring Authority** as an independent statutory body responsible for monitoring, reporting and advising on the implementation and performance of housing supply targets across Queensland.

Detailed Recommendations and Rationale

1. Review Queensland's Infrastructure Funding and Costing Framework

The effectiveness of infrastructure planning, coordination, funding and delivery has a direct impact on housing supply and construction productivity. Delays, funding shortfalls, and uncertainty in infrastructure contributions increase holding costs, reduce private sector confidence, and slow the delivery of new homes.

The infrastructure charging and funding framework needs to support the financial sustainability of stakeholders – including State and local governments and developers – while providing greater commitment about when infrastructure will be planned, funded and delivered to the community in a coordinated way across the planning framework and jurisdictions. The infrastructure charging regime also should acknowledge the long-term benefits of development to the community and to governments and consider the cost of infrastructure over the life of the development, amongst other matters.

PIA recommends a comprehensive review of infrastructure charging and funding, in partnership with key stakeholders, with the aim of adopting an evidence-based and modernised approach to infrastructure funding and charging.

2. Independent Review of the Relationship between Planning and Building Frameworks

The interface between Queensland's planning and building frameworks is a source of delay and confusion, contributing to inefficiencies and uncertainty that ultimately affect housing delivery and construction productivity. As Queensland continues to respond to a growing housing crisis, it is essential that our regulatory systems are not only fit-for-purpose but work together in a streamlined and coherent way.

PIA, alongside the Local Government Association of Queensland (LGAQ) and Master Builders Queensland (MBQ), has identified that a barrier to delivering quality housing in a timely manner is a lack of clarity, efficiency and accountability at the interface of Queensland's planning and building frameworks. This is contributing to project delays, inefficiency, reduced housing supply responsiveness and reduced certainty and confidence in the development/building approvals process.

PIA recommends that an independent review be initiated to address this issue. The review should be led by a suitably qualified and independent expert with planning and legal expertise, and be focused on harmonising and streamlining the interaction between the planning and building systems. The scope should include:

- Delivering clear legislative and procedural recommendations to reduce duplication and improve clarity, efficiency and accountability;
- Engaging with councils, planners, certifiers, industry and other relevant stakeholders;
- Being undertaken and concluded within a defined timeframe (e.g., 3 months) to avoid prolonging uncertainty; and
- Proceeding in parallel with, and not delaying, the timely release of the Queensland Housing Code.

This review is a vital step to improving clarity, efficiency and accountability at the interface Queensland's planning and building frameworks. PIA welcomes the opportunity to support and contribute to this reform process alongside other peak bodies.

3. Comprehensive Review of the Full Lifecycle Costs of Development

Understanding the full lifecycle costs of different development forms is critical to improving the efficiency, equity and productivity of growth across Queensland. Both the NSW Productivity Commission and Infrastructure Victoria have highlighted the long-term fiscal, environmental and service delivery implications of low-density and fringe development, compared to well-located infill. These bodies have called for integrated infrastructure and land use planning, underpinned by robust, spatially sensitive cost-benefit analysis, to ensure investment and policy decisions deliver value for both governments and communities.

Queensland would benefit from a similar state-specific review to evaluate the total infrastructure, servicing, environmental and cost-of-living implications of different types and forms of development, and to guide future growth priorities based on long-term productivity outcomes. This is directly connected to the call for infrastructure charging reform above where types of development incur charges and demand infrastructure at different milestones of development.

PIA recommends the Queensland Productivity Commission undertake a state-wide, comparative review of the full economic, environmental, and infrastructure lifecycle costs of:

- Greenfield expansion areas;
- Low- to mid-rise infill development;
- High-density urban renewal precincts.

The review should assess:

- Capital and lifecycle infrastructure requirements;
- Construction delivery and payment timings;
- Ongoing operational costs and financial implications including depreciation and impact to local government asset management systems;
- Productivity outcomes, including access to jobs and services;
- Cost of living implications for future residents;
- Environmental and social impacts.

The findings should inform long-term spatial planning, investment prioritisation, and housing strategies, helping governments and industry direct resources toward development types that deliver the greatest benefit for Queenslanders.

4. Establish a Growth Monitoring Authority

Queensland currently lacks a dedicated, independent mechanism to monitor the performance of state and local housing supply targets and provide early advice on interventions when delivery lags behind strategic objectives.

Without regular, trusted data on where and why housing is not being delivered, decision-makers cannot respond effectively or target support where it is most needed.

PIA recommends the establishment of a Growth Monitoring Authority as a statutory independent body tasked with:

- Tracking the implementation of regional plan housing targets;
- Reporting annually on housing approvals, commencements, completions and infrastructure coordination;
- Advising state and local governments on actions required to address under-delivery or market barriers;
- Providing a transparent and trusted evidence base for all stakeholders to rely upon.

The Authority should have the power to collect and publish spatially disaggregated data, and work collaboratively with local governments and industry to identify solutions in areas experiencing delivery gaps.

Conclusion

While planning plays a critical enabling role in facilitating the right housing in the right locations, supported by the right infrastructure, it is not a delivery mechanism.

Good planning improves investor certainty, reduces delays, and aligns growth with infrastructure investment.

PIA urges the Queensland Productivity Commission to ensure that construction productivity reform considers the role that planning plays in a strategic context, and the value of good planning. The four (4) recommendations outlined in this submission are important reforms to support more consistent, coordinated, and productive development across Queensland.

PIA is committed to ongoing collaboration with the Commission. PIA is available to provide further assistance or participate in future consultation processes. Please contact Nicole Bennetts RPIA, State Manager via [REDACTED] for further discussion.

Yours sincerely,

[REDACTED]

Sean Cullen RPIA
PIA Qld President