Comment – Australian Institute of Architects

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The Australian Institute of Architects (Queensland Chapter) welcomes the opportunity to contribute to this important inquiry. Our 2,400 members offer deep insight into how regulation, procurement, and policy frameworks shape construction productivity, costs, and delivery timeframes. We are at a critical moment of public infrastructure demand and investment and we need to invest more in human capital to ensure we can deliver the investment and create the productivity benefits that should accrue. We have a severe shortage of skills in the construction sector, which is contributing significantly to ongoing housing supply shortage, which in turn is contributing to rising rates of homelessness and housing insecurity, which has clear, deleterious impacts on productivity. Given the infrastructure demands of building 'catch up' urban infrastructure, with a tendency toward rapid delivery under time pressure, we must ensure speed does not come at the expense of delivering appropriate, sustainable and fit-for-purpose infrastructure. This includes building climate resilient infrastructure. As a state-based organisation, we also see great opportunities through greater regionalisation, and broadening the benefits investment in productivity in areas outside the economic hub of South East Queensland. This submission outlines four key levers for productivity reform relating to our State's substantial pipeline of infrastructure, and our need to address the housing crisis. The four areas we are focusing on are: 1. Investment in human capital 2. Procurement reform 3. Regulatory review 4. Modernising construction methods, including digitization

HUMAN AND BUILT CAPITAL: BLUEPRINT FOR A PRODUCTIVE QUEENSLAND

SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY
ON CONSTRUCTION SECTOR PRODUCTIVITY IN QUEENSLAND

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EXECUTIVE SUMMARY

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Given the infrastructure demands of building 'catch up' urban infrastructure, with a tendency toward rapid delivery under time pressure, we must ensure speed does not come at the expense of delivering appropriate, sustainable and fit-for-purpose infrastructure. This includes building climate resilient infrastructure.

As a state-based organisation, we also see great opportunities through greater regionalisation, and broadening the benefits investment in productivity in areas outside the economic hub of South East Queensland.

This submission outlines four key levers for productivity reform relating to our State's substantial pipeline of infrastructure, and our need to address the housing crisis. The four areas we are focusing on are:

1. Investment in human capital
2. Procurement reform
3. Regulatory review
4. Modernising construction methods, including digitization

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1. INVESTMENT IN HUMAN CAPITAL

Productivity in construction depends not only on physical infrastructure, but also on the capability of the workforce that designs and delivers it.

1.1. EDUCATION AND SKILLS DEVELOPMENT

- The skills and worker shortage in the construction industry is serious. It limits our ability to build housing and the systems required to support it. It is a great way to raise incomes of scarce trades and material suppliers, but their higher charges greatly reduce their productivity -the same amount of work for higher cost, or worse, less work for the same cost. We urge increased investment in skills training in the construction sector to increase the supply of skilled construction workers.

- We see potential huge productivity benefits in working to strengthen our regional town and cities' human capital. Decentralisation, particularly in Queensland, is an opportunity waiting to be realized with positive flow on effects, such as affordable housing, more efficient distribution of services and facilities, and efficient manufacturing hub locations. Our regional towns and cities are desirable places to live, with the day-to-day benefits of living within a village conferring enormously to the health and well-being of humans of all ages. The missing link is employment opportunities, which through investment in regional industries and services, the government can support.

- Regional architectural businesses face significant challenges with workforce retention, particularly with students of architecture working part time only being able to receive their training at the schools of architecture in Brisbane. This means an entire layer of productive workforce is not able to be retained in these businesses. With the ability to train regionally, students would be more likely to remain in regional centres.

1.2. WORKFORCE SUSTAINABILITY

- Predictable pipelines of public projects—including housing, schools, and health infrastructure—are critical to workforce planning across the state. Recent cancellations and delays have disrupted training and employment. Governments must ensure continuity to prevent long-term skills loss.

- Incentives for regional businesses to participate in government projects will support capability across the state - there is a real need to support regional Queensland businesses' workforce sustainability.

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1.3. DESIGN QUALITY AS CAPITAL INVESTMENT

- High-performing buildings reduce operational costs, enhance functionality, and improve community wellbeing. Embedding design excellence into all publicly funded projects ensures long-term value for taxpayers.
- Well designed housing is affordable. When every sqm of a home is required to 'work hard' for its existence, homes can be smaller, more efficient, deliver more for its habitants and community, and use less resources in production.

2. PROCUREMENT REFORM

Queensland's procurement frameworks must evolve to support innovation, reduce inefficiency, and enable fair, high-quality delivery.

2.1. DESIGN-LED PROCUREMENT

- Engaging architects early—at strategic planning and feasibility stages—reduces risk and leads to better, more cost-effective outcomes.
- Procurement models that focus only on capital cost frequently compromise long-term performance. Procurement models tend to favour 'lowest cost' when in public infrastructure 'value for money' needs to be a much stronger focus.
- We recommend embedding clear design quality benchmarks in all public procurement frameworks, including local government.

2.2. REVIEW OF BEST PRACTICE INDUSTRY CONDITIONS (BPICS)

- The temporary suspension of BPICs provides an opportunity to reassess their impact on cost, participation, and delivery efficiency.
- We support industry-wide consultation on how BPICs can be improved to achieve both fair workplace conditions and streamlined outcomes.

2.3. PROCUREMENT INNOVATION

- It is understandable that governments are favouring procurement models that place more cost risk on the shoulders of contractors. However, this can be at the expense of best-for-project outcomes for the taxpayer. We strongly recommend that all procurement processes include design value assessments, and ensure strong, ongoing roles for architects throughout the life of the project from concept design through documentation and delivery.

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3. REGULATORY REVIEW

A fragmented and inconsistent regulatory environment creates delays, increases costs, and undermines innovation. Clearer, more predictable systems are essential to improving construction productivity.

3.1. PLANNING SYSTEM REFORM

- Planning frameworks must be streamlined and harmonised across jurisdictions to improve certainty and reduce complexity, without compromising liveability and create climate resilient and sustainable communities.
- Simple, plain-English guidance on planning and building regulations would reduce costs and delays for both applicants and assessors.

3.2. LOCAL LEADERSHIP IN DESIGN QUALITY

- Often local planners struggle with the complexity of regulating design in more high density environments, as architecture is not a part of their training. We strongly recommend the inclusion of more architects within local government to streamline approvals of complex development applications. These roles can improve coordination across departments, raise the quality of outcomes, and provide consistency in decision-making.

3.3. DIGITAL REFORM OF REGULATORY PROCESSES

- A state-wide, centralised e-lodgement and tracking platform for development and building applications would improve transparency, speed up approvals, and reduce administrative overhead.
- This would also create a valuable data resource for monitoring performance and targeting reforms.

3.4. INFILL HOUSING REFORM

We propose new regulatory provisions to unlock the gentle density uplift from one dwelling to three dwellings on any detached dwelling lot in Queensland – subject only to the restrictions of any applicable overlay codes – if those three dwellings are designed by an architect to a simple, state-introduced urban design code that maintains character and amenity of the neighbourhood by limiting height and building mass while mandating minimum landscape, privacy, and streetscape enhancements.

The architect's design and self-verification of the code would then be all that is required for a Building Work Decision Notice, thereby creating opportunities not only for local architects, engineers, surveyors, etc., in all regions, but mostly local builders

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with just a Low-Rise license and their subcontractors. This initiative can increase housing affordability and supply - a critical factor in productivity.

4. ADOPTION OF MODERN CONSTRUCTION METHODS INCLUDING DIGITISATION

Modern construction techniques and digital innovation have the potential to radically improve delivery speed, quality, and cost-efficiency—particularly for housing, education, and regional projects.

3.5. MODERN METHODS OF CONSTRUCTION (MMC)

- Modular, off-site, and prefabricated building systems allow faster, lower-risk construction, particularly in regional and remote areas.
- Governments should embed MMC in public housing and social infrastructure programs and align them with sustainability and climate resilience targets.
- Supportive measures could include planning incentives, streamlined approvals, and targeted grants for innovation and pilot programs.
- However, all MMC needs to include elements that create strong communities including design elements for liveability and climate resilience.

3.6. DIGITISATION AND DESIGN TECHNOLOGY

- Building Information Modelling (BIM), lifecycle modelling, and AI-supported design tools improve coordination, reduce waste, and enhance asset management. We recommend mandating BIM for all publicly funded projects above a certain value and funding training for small and regional practices to access digital tools.

4. BOOSTING CONSTRUCTION PRODUCTIVITY IN QUEENSLAND - POLICY RECOMMENDATIONS

4.1. INVESTMENT IN HUMAN CAPITAL

- Urgently address the skilled construction worker shortage in Queensland
- Invest in employment and training initiatives in Queensland's regional communities
- Stabilise government project pipelines (housing, schools, health) to support workforce planning and avoid long-term skills loss.

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- Provide incentives for regional architectural practices to participate in public projects, supporting statewide workforce sustainability.
- Embed design quality as a form of capital investment to improve long-term asset performance, operational efficiency, and public value in all government projects.

4.2. PROCUREMENT REFORM

- Adopt design-led procurement models by involving architects from early strategic planning stages.
- Shift focus from 'lowest cost 'to 'value for money 'to improve project quality and reduce lifecycle costs.
- Mandate clear design quality benchmarks in all public procurement processes, including at local government level.
- Reform Best Practice Industry Conditions (BPICs) through broad industry consultation to ensure fairness and delivery efficiency.
- Innovate procurement approaches to reduce risk transfer that undermines outcomes; retain architects through project delivery.

4.3. REGULATORY REVIEW

- Streamline and harmonise planning frameworks across jurisdictions to reduce complexity and support climate-resilient communities.
- Provide plain-English guidance for planning and building regulations to reduce delays and improve compliance.
- Embed architects within local councils to improve design assessment capability, especially for complex or high-density developments.
- Develop an architects' certification initiative for small scale infill housing

4.4. ADOPTION OF MODERN CONSTRUCTION METHODS (MMC) AND DIGITISATION

- Promote modular, prefabricated, and off-site construction, particularly in regional housing and social infrastructure.
- Ensure MMC aligns with good design principles, including liveability and climate resilience.

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- Digitise regulatory processes through a state-wide e-lodgement and tracking platform for planning and building approvals.
- Mandate Building Information Modelling (BIM) for major public projects and fund access to digital tools and training for small and regional practices.

5. CONCLUSION

Construction productivity is not only a matter of labour or materials—it is deeply connected to how we design, plan, and govern our built environment. Architects bring systems thinking that spans long-term value, environmental performance, and human wellbeing.

We urge the Commission to centre design quality in its final recommendations and to recognise architecture as a core contributor to Queensland's infrastructure future.

We welcome further dialogue and would be pleased to participate in consultations or hearings.

[redacted]

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