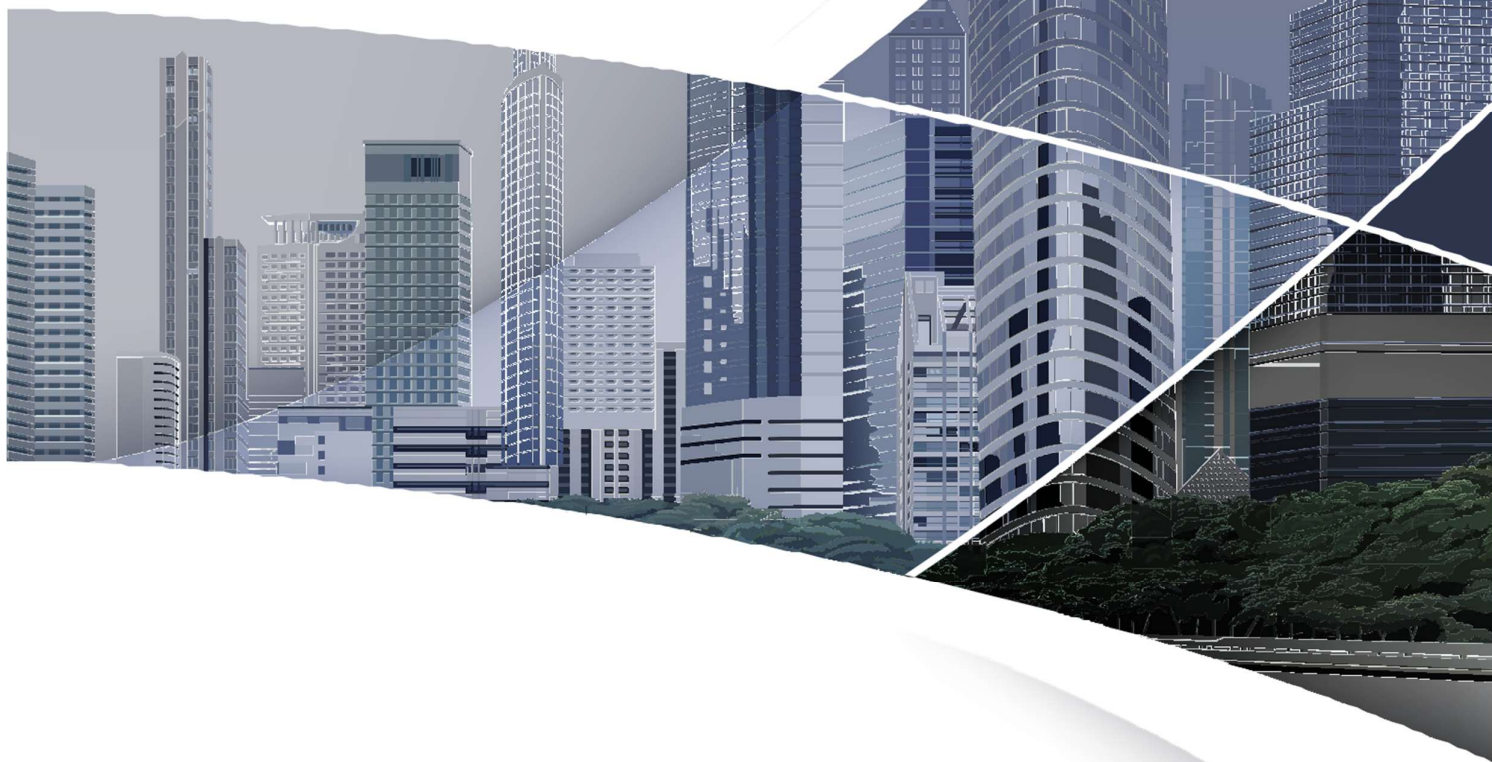




CONSTRUCTION PRODUCTIVITY



Specialist Contractors' Submission

Joint Submission to the Queensland Productivity Commission's
'Construction Productivity Inquiry' on behalf of the AMCA, NECA and
NFIA



BUILDING A MORE PRODUCTIVE, FAIR, AND SUSTAINABLE QUEENSLAND CONSTRUCTION INDUSTRY: A Specialist Contractor Perspective

Introduction

This submission is a joint submission to the Queensland Productivity Commission Inquiry into Construction productivity from the Air Conditioning and Mechanical Contractors' Association (AMCA), the National Fire Industry Association (NFIA), and the National Electrical and Communications Association (NECA).

Our submission addresses systemic issues impacting specialist subcontractors in Queensland, focusing on three main areas: the commercial environment, workforce and skills development, and regulatory efficiency and project delivery. Key recommendations include strengthening security of payment, addressing unfair contract terms and illegal phoenix activity, improving training package relevance, and licensing frameworks, tackling skills shortages, enhancing QBCC enforcement, and mandating Early Contractor Engagement. The submission also advocates for Continuing Professional Development (CPD) and improved access to Australian Standards, aiming for a more productive, fair, and sustainable construction industry in Queensland.

The AMCA, NFIA and NECA collectively represent a significant and vital component of Queensland's building and construction industry. Our members are the specialist contractors responsible for the design, installation, commissioning, and maintenance of the critical systems that make buildings safe, functional, and habitable – including heating, ventilation, and air conditioning (HVAC) systems, essential fire safety installations and electrical and communications infrastructure. These are not ancillary services; they are **fundamental to the integrity, safety, and operational efficiency of all modern buildings and infrastructure.**

Our joint submission is provided with a shared commitment to fostering a more productive, equitable, and sustainable sector. While our individual associations address the unique technical and regulatory nuances of our respective trades, there exists a substantial commonality of experience and concern regarding systemic issues that impact the productivity and viability of all specialist subcontractors in Queensland. These issues, if unaddressed, not only constrain our members' businesses but also have broader implications for the efficiency of project delivery, the overall cost of construction, the development of a skilled workforce, and ultimately, the economic prosperity of the State.

Drawing upon our collective expertise, extensive member consultation, and previous engagements with government on matters of regulatory reform and industry development, this submission focuses on high-level areas where targeted reforms can yield significant productivity gains and foster a fairer operating environment. We recognise the responsive role of government and the complexities of the policy cycle and offer these insights as part of a collaborative effort to find workable solutions. Our associations are committed to being part of these solutions, advocating for reforms that are evidence-based, practical, and developed through genuine, far-reaching consultation with all affected industry participants.

The Commercial Environment: Addressing Systemic Imbalances to Unlock Productivity

The commercial framework within which specialist contractors operate is a primary determinant of industry productivity and sustainability. Current practices, however, often impose disproportionate risks and unfair burdens, stifling efficiency and innovation.

Security of Payment – The Lifeblood of Industry: The timely and complete payment for work performed is fundamental. Yet, Queensland’s specialist contractors continue to face significant challenges with delayed payments, disputed variations, and the ever-present risk of insolvency higher up the contractual chain. While *Queensland’s Building Industry Fairness (Security of Payment) Act 2017* (Qld) has introduced important protections, ongoing vigilance and refinement are necessary to ensure these mechanisms are effective in practice and accessible to all subcontractors, particularly SMEs. The economic cost of payment delays and disputes is immense, diverting resources from productive work to protracted and often costly recovery efforts, and contributing to financial instability across the sector.

RECOMMENDATION 1:

Strengthen and streamline Queensland’s security of payment regime, ensuring rapid adjudication processes, robust protections against insolvency higher up the chain, and effective deterrence against practices that delay or unfairly withhold payments due to specialist contractors.

Unfair Contract Terms (UCTs) and Risk Allocation: Specialist contractors are frequently confronted with standard form contracts, heavily amended by head contractors (typically the principal building company responsible for overall project delivery), that impose unreasonable risk allocations. These UCTs can include excessive liability clauses, unilateral variation rights for the head contractor, and unbalanced indemnification requirements (NECA, 2024a; 2024b, ASA, 2025). Such terms, often presented on a ‘take-it-or-leave-it’ basis, reflect a significant power imbalance and force subcontractors to assume risks over which they have little or no control. This not only impacts commercial viability but also discourages innovation and investment, as contractors are forced into defensive operational postures. The cost of managing these imposed risks, including increased insurance premiums and legal review, is a direct drain on productivity.

RECOMMENDATION 2:

Implement Queensland-specific measures, complementary to Federal UCT legislation, to address and prohibit the use of unfair and disequilibria contract terms in construction subcontracts, promoting fairer risk allocation and transparency.

Illegal Phoenix Activity: The scourge of illegal phoenix activity – where directors deliberately liquidate indebted companies only to re-emerge with a new entity unburdened by past obligations – continues to plague the construction industry. This practice leaves a trail of unpaid subcontractors, suppliers, and employee entitlements, and creates an uneven playing field where unethical operators gain an unfair advantage. The case of Boosted Fire Pty Ltd (Sharples, S., 2024) and the subsequent emergence of Boosted Services Group Pty Ltd (Australian Securities & Investments Commission [ASIC], 2024) serves as a pertinent example of the patterns that cause industry concern. While regulatory bodies like ASIC and QBCC have roles to play, more effective deterrents and enforcement mechanisms are needed at the state level to protect subcontractors and the integrity of the industry.

RECOMMENDATION 3:

Enhance QBCC's powers and resources to identify and act decisively against directors and entities involved in illegal phoenix activity within the Queensland construction industry, including stricter scrutiny of new licence applications from individuals associated with previously failed companies.

Workforce and Skills Development: Building Queensland's Future Capacity

A skilled and sustainable workforce is the bedrock of a productive construction industry. However, specialist trades face significant challenges in attracting, training, and retaining the necessary talent.

Training Package Relevance and Responsiveness: National training packages, overseen by Jobs and Skills Councils (JSCs) like Powering Skills Organisation and BuildSkills Australia, often suffer from protracted review cycles. This means qualifications can lag behind current industry practices, technological advancements, and the evolving complexity of fire safety, electrical, and mechanical systems. This disconnect necessitates significant, often unaccredited, gap training by employers, impacting productivity and incurring additional costs.

RECOMMENDATION 4:

Advocate through relevant national forums, and support at a state level, mechanisms for more agile and industry-responsive updates to training packages for specialist trades, ensuring direct and timely input from industry associations like NFIA, NECA, and AMCA.

Licensing Clarity, Consistency, and Practicality: While robust licensing is essential for safety and competency, Queensland's current licensing framework for specialist trades can be overly complex and, at times, impose impractical prerequisite pathways. For example, the requirement for certain fire protection licences to include full, unrelated trade qualifications (e.g., passive fire protection) creates unnecessary barriers for experienced specialists. Similarly, the sheer number of licence classes (e.g., approximately 40 in fire protection alone [QBCC, 2025]) and the prescriptive approach taken to technical qualifications can be an administrative burden for Members across the sector. A more streamlined approach, focused on demonstrated competency relevant to the specific scope of work, including robust RPL and trade testing mechanisms, would enhance productivity and workforce mobility.

RECOMMENDATION 5:

Review and refine Queensland's licensing frameworks for specialist trades in consultation with industry, focusing on competency-based outcomes, clear pathways for experienced practitioners, and reducing unnecessary administrative complexity, while maintaining high safety standards.

Sustaining Competence and Enhancing Productivity through Mandatory Continuing Professional Development (CPD): One of the most effective levers to uplift capability and ensure consistent standards across the construction sector is implementing a mandatory Continuing Professional Development (CPD) framework. Queensland's licensing system does not require CPD for most building practitioners, placing it behind other jurisdictions such as New South Wales, where electrical licensing CPD was introduced in 2023. Without structured learning and knowledge maintenance, practitioners risk falling behind on evolving regulatory requirements, safety standards, and system technologies, particularly in complex disciplines such as mechanical, fire and electrical services. The absence of CPD leads to a fragmented industry knowledge base and inconsistent practices on site. For subcontractors, this inconsistency results in rework, delays, and disputes during project commissioning, handover, and certification phases. Critically, a lack of up-to-date knowledge in areas such as HVAC, fire safety integration, and system commissioning can directly impact compliance outcomes and building performance. Embedding CPD as a condition of licence renewal would ensure practitioners are equipped with current knowledge in core compliance areas. Priority topics include the National Construction Code (NCC), workplace health and safety, commissioning practices, sustainability obligations, and digital system integration. CPD could be delivered through flexible channels, including online modules, technical seminars, and on-site demonstrations to ensure accessibility across the state.

RECOMMENDATION 6:

- a) Introduce mandatory, compliance-focused CPD requirements linked to occupational licensing for all trades and professions involved in compliance-critical roles in the design, installation, commissioning, and certification of fire safety, electrical, and mechanical installations.
- b) Develop a tiered and flexible CPD framework in genuine partnership with specialist industry associations (such as NFIA, NECA, and AMCA) and relevant training providers to ensure relevance and accessibility.

- c) Provide appropriate funding and incentives for industry associations, recognised training organisations, and small businesses to develop, deliver, or facilitate access to high-quality, recognised CPD activities.

Addressing Endemic Skills Shortages and Attracting New Talent: Persistent skills shortages across all specialist trades (ASA, 2025; AMCA, 2025) represent a major constraint on the industry's capacity to deliver on Queensland's significant infrastructure agenda and contribute to overall economic growth. Coordinated and strategic efforts are urgently needed to promote careers in the specialist trades as viable, rewarding, and technologically advanced pathways. This includes improving apprenticeship attraction and completion rates, and creating accessible avenues for upskilling and new entrants, including those from underrepresented groups and mature-aged career changers.

RECOMMENDATION 7:

The Queensland Government should develop and adequately fund targeted State-based initiatives, in genuine partnership with specialist industry associations and dedicated training providers, to address identified critical skills shortages in specialist trades. These initiatives should focus on enhancing apprenticeship support systems, promoting careers in construction, and developing flexible training solutions that meet diverse learner and industry needs.

Automatic Mutual Recognition (AMR) and Workforce Mobility: The national AMR scheme aims to improve labour mobility for licensed occupations. While this can assist in addressing skills shortages, particularly for major projects, it is crucial that AMR does not inadvertently lead to a lowering of standards if recognition is granted based on licences from jurisdictions with less rigorous competency or training requirements. Queensland, with its generally comprehensive licensing for specialist trades, should advocate for national consistency in underlying competency standards to ensure AMR supports genuine mobility of skilled practitioners.

RECOMMENDATION 8:

The Queensland Government should proactively engage with national AMR frameworks to ensure that mechanisms are in place to verify the substantial equivalence of competencies for specialist construction trades, thereby facilitating skilled workforce mobility while safeguarding Queensland's safety and quality standards.

Regulatory Efficiency and Project Delivery: Streamlining for Productivity

The regulatory environment and common project delivery practices significantly influence productivity outcomes.

QBCC Enforcement and Advisory Functions: Consistent, transparent, and effective enforcement of licensing and technical standards by the QBCC is crucial for maintaining a level playing field and public confidence. However, industry members report challenges in obtaining clear and timely advice and concerns about the consistency of enforcement actions. A more collaborative and educative approach from the QBCC, coupled with robust action against genuinely non-compliant or unlicensed operators, would foster greater industry productivity.

RECOMMENDATION 9: Enhance the QBCC's capacity for consistent enforcement and improve the clarity, accessibility, and timeliness of its advisory services to industry, fostering a more collaborative regulatory environment.

Early Contractor Engagement (ECE) and Procurement: Procurement models that prioritise lowest-cost tendering without adequate consideration for buildability, lifecycle costs, or fair risk allocation often lead to disputes, delays, and compromised quality – all detrimental to productivity (AMCA, 2025). Mandating ECE on government projects, involving specialist contractors earlier in the design and planning phases, can resolve buildability issues upfront, improve design integration, and lead to more efficient project delivery.

RECOMMENDATION 10: Champion and, where appropriate, mandate Early Contractor Engagement (ECE) models in Queensland Government procurement, ensuring specialist contractors are involved earlier in the project lifecycle to enhance design, buildability, and overall productivity.

Access to Standards: The cost and accessibility of Australian Standards remain a significant burden, particularly for SMEs. Free and equitable access to all standards referenced in the NCC is essential for compliance and productivity.

RECOMMENDATION 11: Continue to advocate at a national level, and explore Queensland-specific mechanisms, to provide free or low-cost access to all relevant Australian Standards for licensed construction practitioners

Conclusion: A Collaborative Path to a More Productive Queensland Construction Industry

The AMCA, NFIA and NECA are committed to a Queensland construction industry that is safe, skilled, fair, and highly productive. The challenges outlined in this submission – spanning commercial practices, workforce development, and regulatory efficiency – are significant, but not insurmountable. They require a concerted and collaborative effort from government, industry, and all stakeholders.

We believe that by addressing these systemic issues, the Productivity Commission can help unlock substantial productivity gains, foster a more resilient and sustainable specialist contracting sector, and ensure that Queensland's ambitious infrastructure and building agenda is delivered efficiently, safely, and to the highest standards of quality. Our associations welcome the opportunity for further dialogue and are

dedicated to working constructively with the Queensland Government to implement meaningful reforms that benefit our members, the broader construction industry, and the Queensland community as a whole.

Recommendations

1. Strengthen and streamline Queensland's security of payment regime, ensuring rapid adjudication processes, robust protections against insolvency higher up the chain, and effective deterrence against practices that delay or unfairly withhold payments due to specialist contractors.
2. Implement Queensland-specific measures, complementary to Federal UCT legislation, to address and prohibit the use of unfair and disequilibria contract terms in construction subcontracts, promoting fairer risk allocation and transparency.
3. Enhance QBCC's powers and resources to identify and act decisively against directors and entities involved in illegal phoenix activity within the Queensland construction industry, including stricter scrutiny of new licence applications from individuals associated with previously failed companies.
4. Advocate through relevant national forums, and support at a state level, mechanisms for more agile and industry-responsive updates to training packages for specialist trades, ensuring direct and timely input from industry associations like NFIA, NECA, and AMCA.
5. Review and refine Queensland's licensing frameworks for specialist trades in consultation with industry, focusing on competency-based outcomes, clear pathways for experienced practitioners, and reducing unnecessary administrative complexity, while maintaining high safety standards.
6. Implement and support CPD:
 - (a) Introduce mandatory, compliance-focused CPD requirements linked to occupational licensing for all trades and professions involved in compliance-critical roles in the design, installation, commissioning, and certification of fire safety, electrical, and mechanical installations.
 - (b) Develop a tiered and flexible CPD framework in genuine partnership with specialist industry associations (such as NFIA, NECA, and AMCA) and relevant training providers to ensure relevance and accessibility.
 - (c) Provide appropriate funding and incentives for industry associations, recognised training organisations, and small businesses to develop, deliver, or facilitate access to high-quality, recognised CPD activities.
7. The Queensland Government should develop and adequately fund targeted State-based initiatives, in genuine partnership with specialist industry associations and dedicated training providers, to address identified critical skills shortages in specialist trades. These initiatives should focus on enhancing apprenticeship support systems, promoting careers in construction, and developing flexible training solutions that meet diverse learner and industry needs.
8. The Queensland Government should proactively engage with national AMR frameworks to ensure that mechanisms are in place to verify the substantial equivalence of competencies for specialist construction trades, thereby facilitating skilled workforce mobility while safeguarding Queensland's safety and quality standards.

9. Enhance the QBCC's capacity for consistent enforcement and improve the clarity, accessibility, and timeliness of its advisory services to industry, fostering a more collaborative regulatory environment.
10. Champion and, where appropriate, mandate Early Contractor Engagement (ECE) models in Queensland Government procurement, ensuring specialist contractors are involved earlier in the project lifecycle to enhance design, buildability, and overall productivity.
11. Continue to advocate at a national level, and explore Queensland-specific mechanisms, to provide free or low-cost access to all relevant Australian Standards for licensed construction practitioners



About Us



AMCA Australia is the national peak body for companies operating in the heating, ventilation, and air conditioning industry. Our industry contributes over \$8 billion to the Australian economy annually, consists of over 6,400 businesses, and employs around 19,000 people. The services provided by these companies are crucial to modern standards of living—providing safe, comfortable, and productive indoor spaces for people to live, work, and recreate.



National Electrical and Communications Association (NECA) is the peak industry body representing the interests of over 6,500 electrical and communications contracting businesses across Australia. NECA is run by contractors, for contractors, and represents members in all states and territories of Australia. Our boards (national and state) are made up of electrical and/or communications contractors from a range of small, medium and large enterprises ensuring that contractors are well represented.



The National Fire Industry Association, Australia (NFIA) is an Australia wide community of fire protection contractors, their people, suppliers, consultants and industry stakeholders representing a wide and varied membership from the smallest sub-contractor through to large Australia-wide construction and service businesses. Our Members work at the frontline of fire protection with an estimated 80 per cent of the fire protection work undertaken in Australia completed by Members of NFIA.

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