

**Submission to the
QUEENSLAND PRODUCTIVITY COMMISSION ACT 2025**

**OPPORTUNITIES TO IMPROVE PRODUCTIVITY OF THE
CONSTRUCTION SECTOR**

Contributor

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Executive Summary

This submission has been prepared by Associate Professor Dr Judy Matthews, from the Housing Security Research Group, QUT Centre for Justice and QUT Design Lab.

Productivity in construction contributes to adequate supply in housing and affordable housing. Some constraints to productivity in construction identified in Housing Construction Productivity Australian Government Report (HCP 2025) include multiple planning regimes and the speed and cost of new buildings.

The decrease in construction productivity is noted at the national level and in similar advanced countries. However because productivity has increased in most other sectors, reviewing and developing solutions to this challenge requires detailed investigation.

Productivity in construction is noted to vary by house type. National figures indicate that productivity in the construction of single dwellings has reduced, while productivity in townhouses and multiple dwellings construction has increased (HCP, 2025; p. 2)

Common factors contributing to reduced productivity identified in the HCP Report include the complex slow approval process; lack of innovation in using digital technologies and prefabrication; fragmentation in the industry lack of direct benefits to firms and frequent regulatory changes; lack of scale, managing with subcontractors, building standards planning and regulation; workforce issues in attracting and retaining skilled workers, apprenticeship arrangements, restricted training paths, competition from public infrastructure projects and regulatory settings, that includes limited pathways for migrants to join the construction workforce (HCP, 2025: p. 4)

There is no doubt that the sheer volume of legislation and regulations across the three levels of government together with variations with what, how and what housing should look like may create barriers. Opportunities to improve productivity of the construction sector will include identifying current positive initiatives as well as clarification of the current barriers and constraints such as inconsistencies in housing standards for future action.

Terms of Reference

- Current conditions in the housing market, residential development sector, infrastructure delivery and construction sector in Queensland, including in both housing and non-residential construction as they relate to the delivery of additional housing supply and housing affordability.

- key trends in the sector including input costs, prices, competition, supply chain developments, productivity, and relevant comparisons with other jurisdictions and, where possible, across Queensland regions
- productivity on residential, commercial and infrastructure construction sites, across a range of typologies and locations, relative to productivity performance in other States
- factors shaping Queensland's productivity performance including commonwealth, state and local government legislation and regulation, industrial relations matters, procurement policies and labour force needs (individually, cumulatively or through duplication) and opportunities for improvement
- the opportunities for improvements in productivity in Queensland including regulatory and non-regulatory mechanisms
- **priority areas for reform for the Queensland Government to efficiently address identified challenges in the short, medium and long term (including but not limited to labour availability, skills availability and market competition, the availability of suitably qualified head contractors and sub-contractors etc) key recommendations and themes from other relevant productivity reviews, including those undertaken by the Australian Government Productivity Commission**
- impact on small and medium scale subcontractors in regional areas to compete for government tenders due to regulatory requirements
- flow on effect across the industry of government regulations to compete for labour and resources on both wages and work conditions
- factors that limit the availability of suitable labour for building and civil construction, skills development of the labour force, and matching of labour supply with sector demand, and how policy settings can be improved
- how government procurement and contracting arrangements, including Best Practice Industry Conditions, affect productivity in the construction sector, and how practices and policy settings can be improved
- barriers to entry, investment and innovation in the sector, and potential options to address those impediments
- key issues to be considered in implementing reform options identified and views on how recommendations could be prioritised.

Summary of Recommendations

This submission builds on the data analysis of the Housing Construction Productivity Report (2025) and other relevant research and notes the need for multiple approaches to respond to opportunities improve productivity in construction.

- priority areas for reform for the Queensland Government to efficiently address identified challenges in the short, medium and long term (including but not limited to labour availability, skills availability and market competition, the availability of suitably qualified head contractors and sub contractors etc) key recommendations and themes from other relevant productivity reviews, including those undertaken by the Australian Government Productivity Commission

Recommendation 1:

Map existing legislation across three levels of government to identify conflicts, barriers and constraints for housing dwellings and construction.

Recommendation 2:

Identify innovation initiatives in modern methods of construction and their contributions for productivity

Recommendation 3:

Address Workforce Issues to improve workforce mobility and flexibility.

Body of Submission

- a) Identify issues arising from complexity of legislation

The housing and development and construction process in Queensland is influenced by state, federal and local government regulations. Through consultation with industry, government and council representatives, develop a visual representation of current housing development and construction processes in cities and towns in Queensland urban, regional and remote areas with timelines. From this data representation, identify bottlenecks, barriers and constraints for housing construction across Queensland.

Recommendation 1: Map existing legislation across three levels of government to identify conflicts, barriers and constraints for housing dwellings and construction.

- b) Investigate innovation initiatives, processes and outcomes of innovation in housing construction in Queensland

Offsite production of prefabricated buildings and building components is not captured in housing construction data and is found in manufacturing industry (HCP Report, 2025: p.15). Monitor and evaluate the innovation initiatives in modern methods of construction and use of digital technologies in the private and public sector [such as Q Build initiatives including prefabricated modular housing] in relation to quality standards, speed of construction and implementation and cost factors.

Recommendation 2: Identify innovation initiatives in modern methods of construction and their contributions for productivity

- c) Develop Extend Initiatives for Workforce Issues

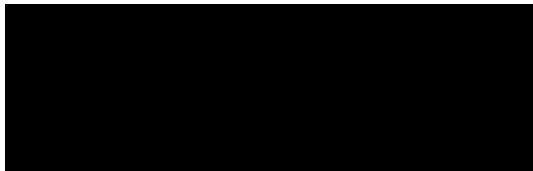
Harmonise with national processes to enable mobility across state and territory boundaries and improve occupational licensing and mutual recognition where states recognise licenses granted in other states. 'Queensland is not currently participating in this scheme' (HCP Report, 2025: p 58). Increase relationships with TAFE colleges to take advantage of free TAFE places in pro-vocational and apprenticeship training programs. Explore and extend new training approaches developed in QBuild currently occurring in Training Centre in Eagle Farm and Cairns.

Recommendation 3: Address Workforce Issues to Improve Workforce mobility and flexibility

Conclusion

Responding to opportunities to improve productivity of the construction sector in Queensland can lead to improved affordable housing solutions for individual, families and communities in our state. The Queensland government has taken some important steps to improve productivity in construction. Queensland State Assessment and Referral Agency (SARA) with end-to-end service for development is a useful starting point. Furthermore, offsite prefabricated dwellings found in both private and public sector with increased manufacturing in construction may deliver better quality housing, that is speedier, with net-zero energy production and the potential for higher productivity.

Associate Professor Judy Matthews



Appendix

Housing Construction productivity: Can we fix it? Research paper, Australian Government Productivity Commission, February, 2025.

Bennett A, Matthews J, Maxwell D, Murphy D, Rodriguez Leonard F, Tinios D, Tyvimaa T, Volz K, Williams R, [2021] Building 4.0 CRC Project #23 - When prefab hits the ground: Barriers and opportunities in the Australian housing market.

Matthews, J. (2024) Eco cottages: using local indigenous nontoxic renewable cypress resources for sustainable construction and production. In Emina Kristina Petrović, Morten Gjerde, Fabricio Chicca & Guy Marriage (Eds) *Sustainability and Toxicity of Building Materials: Manufacture, Use and Disposal Stages*. Woodhead Publishing Series in Civil and Structural Engineering, pages 481-495.