

3 June 2025

Ms Angela Moody
Productivity Commissioner and Chair
Queensland Productivity Commission

Submitted via email: enquiry@qpc.qld.gov.au

Dear Ms Moody

Response to Terms of Reference for Inquiry into construction sector productivity

The Australian Sustainable Built Environment Council (ASBEC) welcomes the opportunity to contribute to the Queensland Productivity Commission's inquiry into opportunities to improve construction sector productivity.

ASBEC is a collaborative forum of peak bodies in the Australian built environment, focused on sustainable, productive, and resilient buildings, communities, and cities. Our [membership](#) consists of industry associations, professional bodies, academia, non-government organisations and government observers who are involved in the planning, design, delivery, and operation of our built environment. ASBEC has a longstanding focus on cities, infrastructure, and urban-scale policy to support a sustainable, liveable, and resilient built environment. We strongly believe that the built environment is key to ensuring communities are resilient to the health and wellbeing impacts of climate change. A number of our member organisations are also providing detailed responses to this Inquiry.

We commend the Commission's focus on improving productivity without compromising quality, safety, or sustainability outcomes. The following comments respond to three key Terms of Reference areas and draw upon [ASBEC's 2024 submission](#) to the National Productivity Commission on housing construction productivity.

1. Factors Shaping Queensland's Productivity Performance

Queensland's construction productivity is shaped by a complex interplay of federal, state, and local legislation, industrial relations settings, procurement practices, and workforce dynamics. While each element individually impacts productivity, duplication and fragmentation across jurisdictions exacerbate inefficiencies.

National consistency in building regulation remains vital. Since the 1990s, the National Construction Code (NCC) has served as a productivity reform by harmonising building standards across states and territories. Continued commitment to a regular NCC review cycle is essential to minimise duplication, support compliance, enable economies of scale and provide industry with certainty.

Regulatory certainty is essential to improving productivity across the construction sector. Each departure from an agreed compliance trajectory undermines prior investments, slows the uptake of innovative systems developed to meet new standards, and erodes investor and workforce confidence. A stable, forward-looking regulatory environment supports long-term planning, encourages innovation, and ensures that productivity gains are sustained across the value chain.



Similarly, procurement policies can either drive innovation and efficiency or entrench inefficiencies. Transparent, outcomes-focused procurement frameworks that encourage collaboration, reward performance, and provide pipeline visibility are critical to improving productivity across the supply chain. Government leadership through procurement is a critical, non-regulatory lever to uplift building performance and build industry and supply chain capacity while delivering broad economic, environmental and social benefits.

2. Opportunities for Productivity Improvement: Regulatory and Non-Regulatory Mechanisms

Smart regulation—well-designed, consistently applied, and supported by clear guidance—can drive innovation and deliver better outcomes at lower cost. For instance, embedding climate resilience and energy performance in the NCC supports not only safety and sustainability, but also long-term cost savings and operational efficiency.

Ensuring robust compliance with regulatory standards is fundamental to achieving sustainable productivity gains in the construction sector. Quality, safety and performance must remain at the core of any reform agenda, with strong oversight and enforcement mechanisms essential to maintaining public trust and industry integrity. Regulatory compliance not only safeguards community outcomes—it underpins the certainty and consistency that drive long-term productivity, investment and innovation. Pursuing productivity without a firm foundation in compliance is ultimately short-sighted and unsustainable.

Non-regulatory mechanisms can also leverage productivity opportunities. Investment in workforce development, digital skills, and modern methods of construction such as prefabrication and modular construction can significantly improve productivity.

A workforce skilled in emerging technologies such as electrification, low-carbon materials and circular construction methods will strengthen Australia's reputation for high-quality, future-ready buildings and infrastructure and help to deliver a decarbonised built environment.

The sector requires a forward-looking skills strategy aligned with innovation and demographic trends, supported by collaboration across government, industry, and the education sector.

Data-driven decision making is another underutilised lever. Governments can play a catalytic role in supporting better use of construction sector data to drive continuous improvement, evaluate regulatory impact, and identify emerging challenges.

3. Priority Areas for Reform

In the short term, Queensland should reaffirm its commitment to the national NCC review process and remove regulatory inconsistencies that impede productivity. Streamlining planning and approvals processes—particularly across local governments—can help accelerate housing delivery without compromising quality or safety.

In the medium term, Queensland should prioritise workforce capacity and capability. Investment in education, training and upskilling, particularly in digital technologies, energy efficiency, and resilient design, is essential to support modern construction practices and reduce delays and defects. Encouraging greater diversity in the construction workforce can also expand labour supply and strengthen long-term resilience.

In the longer term, procurement reform is critical. Queensland should lead the development of procurement frameworks that promote collaboration, fair risk allocation, innovation, and continuous improvement. This includes removing barriers to entry for SMEs and regional contractors, embedding lifecycle thinking in project evaluation, and better aligning procurement processes with sustainability and social value objectives.

Finally, a clear, long-term policy roadmap for the built environment—aligned with housing, climate, and infrastructure goals—will provide certainty for industry and support investment in innovation and productivity-enhancing practices.

Productivity in the construction sector is not a matter of deregulation, but of better regulation, smarter procurement, and strategic investment in skills and innovation. We welcome the opportunity to provide further detail on any points outlined above. We remain committed to collaborating with the Queensland government and other stakeholders in further discussions and actions aimed at achieving a sustainable built environment and secure housing for all Australians. If you have any further queries, please do not hesitate to contact me via [REDACTED] or on [REDACTED].

Yours sincerely



Alison Scotland
Chief Executive Officer