



Analysis from Q Shelter: Queensland Government response to the Construction Industry Productivity Commission Final Report

Dear Q Shelter Members and Stakeholders,

Earlier this week, the Queensland Government released its response to the Queensland Productivity Commission (QPC) Final Report for the Inquiry into Opportunities to Improve the Productivity of the Queensland Construction Industry..

Given the significance of the proposed reforms and their close alignment with the housing and homelessness agenda, we have prepared an overview for our members and stakeholders, highlighting key implications for housing supply, affordability, and sector planning.

Below are links to relevant supporting documents:

- [Queensland Government response to QPC Final Report](#)
- [QPC Construction Industry Inquiry Final Report](#)
- [Q Shelter broad submission on the QPC Interim Report](#)
- [Q Shelter MMC-specific submission to QPC Interim Report](#)

Overview

In response to the QPC's 64 recommendations in its final report, the Queensland Government responded as follows:

- **51** recommendations accepted (*agree or agree in principle*)
- **5** recommendations rejected (*does not agree*)
- **8** recommendations *noted*.

Below is a summary of the Government's position on key points in the QPC report, and Q Shelter's position as presented in submissions and work leading up to and during the QPC Inquiry.

1. Procurement, industrial relations, and industry 'reset'

The Government's response in these areas places strong emphasis on resetting commercial and industrial settings to improve productivity and competition. It frames productivity challenges as arising primarily from industrial relations settings, procurement complexity, and regulatory burden, rather than acknowledging

underlying market failures in housing supply.

Q Shelter has historically not supported the wholesale removal of procurement levers without replacing them with explicit measures to achieve social, affordable or inclusive housing objectives. However, simplification and faster procurement broadly align with our position, to reduce project delays for community housing providers and improve affordable housing outcomes. Q Shelter also notes that productivity reforms alone may not fully address structural challenges in housing supply. This includes constraints in the private market's capacity to deliver affordable and social housing, viability pressures from high construction costs and land prices, misaligned incentives for low-income housing delivery, and risk aversion and capital constraints that limit supply, despite clear demand. In this context, optimal procurement and planning settings remain an important mechanism for achieving social and affordable housing outcomes.

2. Planning reform, zoning, and land supply

The Government has agreed in principle to density uplift near transport hubs in SEQ and supports Queensland Housing Code (QHC) standardisation for detached and secondary dwellings. However, it has not supported proposals for a statewide planning portal, independent planning panels, state-led local government housing supply targets, or citizen panels or community-led zoning reform.

Q Shelter supports increased density uplift in transport-rich areas, gentle density, small lots, secondary dwellings, establishment of pattern books, and streamlined approvals, as well as greater consistency in planning frameworks and faster decision-making. However, relying on local discretion without enforceable housing targets, clear affordability requirements addressing the needs of low- to medium-income households, or stronger state oversight, risks continued undersupply of social and affordable housing. In Q Shelter's view, the rejection of some of the progressive planning reforms is also a missed opportunity.

3. Regulatory burden and building standards

The Government response broadly supports reviews of building regulation and licensing, reforms to Queensland Building and Construction Commission (QBCC) governance and compliance, reducing administrative compliance for low-risk operators while retaining consumer protections, slowing or pausing future changes to the National Construction Code (NCC), and making technical amendments rather than wholesale opt-outs of energy efficiency or accessibility standards. Importantly, the Government has maintained the Liveable Housing Design Standards (LHDS), even where the QPC suggested further rollbacks.

Q Shelter generally supports regulatory efficiency, but not at the expense of accessibility, liveable housing design, climate resilience, or long-term affordability. Accessibility is a fundamental principle in housing, to ensure all Queenslanders—including people with disability, older people, and those with limited mobility—can live independently and safely, now and in the future. The Government appears to have retained the LHDS, noting some possible minor technical changes. Q Shelter considers the LHDS an essential minimum standard, and we, along with other advocacy organisations, welcome a continued commitment to maintaining these protections as a cornerstone of inclusive, equitable, and sustainable housing.

4. Workforce, skills, and migration

The Government response strongly supports QPC recommendations on overhauling construction training policy, improving apprenticeship completion and retention, reforming occupational licensing and mutual recognition, and making better use of skilled migration for construction trades.

Q Shelter recognises ongoing workforce shortages in the construction and housing sector and the need to diversify participation—including increasing opportunities for women and other underrepresented groups—while strengthening training, upskilling, and career pathways. We support skills mapping of traditional and emerging trades across multiple delivery and construction methods, with a focus on off-site housing manufacturing, supporting workforce wellbeing and safety. We also encourage initiatives to attract, retain, and develop a workforce capable of meeting current and future housing supply needs.

5. Infrastructure coordination and utilities

The Government response supports better sequencing and coordination of infrastructure, including growth monitoring through a dedicated unit (though not an independent agency), as well as improvements in utility connection performance and coordination

Q Shelter shares concerns about infrastructure as a key bottleneck to housing delivery. While we welcome these initiatives, we note that a dedicated unit may have limited authority compared with an independent agency. Q Shelter also advocates for funding mechanisms, such as the Residential Activation Fund (RAF), to prioritise infill and consolidated housing development in high-growth areas while also supporting greenfield locations. We encourage stronger integration between infrastructure delivery and planning reforms to ensure housing supply gains are realised most efficiently.

6. Housing affordability and social outcomes

The Government response has not supported proposals for mandatory affordable housing targets or planning pathways that require contributions to social and affordable housing delivery.

Q Shelter cautions that relying solely on market-led supply initiatives is unlikely to meet affordability needs without direct intervention. The reforms in NSW and Victoria, which explicitly support affordable housing, demonstrate this approach in practice. Without more intentional policy measures in these areas, low- and medium-income households risk being priced out, increasing social exclusion, further risks of homelessness, and greater impact on other government systems and services.

7. Modern methods of construction (MMC) and innovation

The Government response identifies MMC as a key productivity opportunity and commits to removing barriers that could hinder its adoption. It supports performance-based specifications, national consistency, and skills development to encourage wider uptake.

Q Shelter stresses that given that the construction industry's current output falls

short of demand and is not yet at the rate required to meet the target of 1M homes, a more deliberate approach to innovation and modernisation is warranted. Q Shelter acknowledges the Government's efforts in policy reform, procurement improvements, and skills mapping, but sees additional opportunities to support MMC adoption. Earmarking a portion of the 53,500 social and affordable homes to be delivered through MMC could provide a secure pipeline that strengthens supply chains and offers investment certainty, while advancing innovation and productivity in the sector.

Summary

Q Shelter notes the strongest alignment between our position and the Government's response is in the areas of workforce reform and regulatory streamlining. Gaps remain in progressive planning reform, affordable housing mechanisms, and the strategic use of public investment to shape housing and infrastructure outcomes, particularly in leveraging MMC to drive future productivity and meet supply requirements.

We commend the QPC for its work on this inaugural inquiry since its re-establishment this term. Enabling independent review into these critical areas is vital as Queensland faces significant population growth, challenges in housing production, rising housing stress and homelessness, and a substantial infrastructure pipeline in the lead-up to the 2032 Brisbane Games.

The Government's response of the QPC report provides a foundational "reset", but Q Shelter stresses that more deliberate action, careful implementation, and ongoing oversight will be essential to ensure that reforms translate into tangible housing outcomes for all Queenslanders.

If you have any questions on our analysis, please reach out to our policy team at policy@qshelter.asn.au

Warm regards,



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