

Queensland Productivity Commission Bill 2024

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Governance, Energy and Finance Committee
Parliament House
George Street
BRISBANE QLD 4000

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Dear Committee Members

RE: Queensland Productivity Commission

The State Government has introduced legislation to reestablish the Queensland Productivity Commission. The inquiry and reporting body will be tasked with a number of key inquiries, including 'BPIC', which is blamed for billions in blowouts on many key projects that are now set back years.

We have experience assisting employers across Australia with a focus on Brisbane, Queensland and New South Wales. We specialise with 28 years in the building and construction industry. We have extensive experience in Australian workplace laws, particularly those relevant to the building and construction industry, government, manufacturing, education, and engineering, including all aspects of managing unlawful industrial action, right of entry, unfair dismissals, safety disputes and general protections.

In addition to producing content for Facebook, LinkedIn, YouTube, and approaching 500 employment law articles on workplace issues, we also published 50 monthly newsletter.

We understand the the Productivity Commission will be the new go-to body, a policy tiger, not an academic kitten, as it is intended to deliver change across a number of areas of government to increase productivity on government projects, government regulatory obligations, and wider community social issues.

The Bill delivers on an election commitment to introduce legislation before the end of 2024 to commence a review of the building and construction industry.

The Bill achieves the government's policy objectives by allowing the Commission to:

- undertake inquiries into economic and social issues, regulatory matters or legislation as directed by the Minister; and
- undertake research into economic and social issues, regulatory matters or legislation as directed or approved by the Minister or on its own initiative;
- administer, monitor and review regulatory matters as directed by the Minister; and
- provide advice to the Minister as requested.

In performing its functions, the Bill states that the Commission should have particular regard for productivity, economic growth and improving living standards in Queensland.

We hope the first business of the new Commission will be improving value and productivity in construction.

The construction of roads, schools, prisons and hospitals are public works for the people of Queensland. The opportunity to work on these stable low risk long term projects are very different from large commercial private projects. The public are entitled to value for the taxpayer funds, and the excesses of BPIC including Site Allowance and other provisions need to be addressed.

Site Allowance is one obvious example was originally introduced to address 'site disabilities' an amount set by the then Australian Industrial Relations Commission but has long been regarded as a 'Profit Sharing' scale in the Union Enterprise Bargaining Agreements; the bigger the project, the bigger the site allowance. There is no longer any connection to work-related disabilities, with now some claims to pay site allowances on paid leave and no connection to productivity. Modern construction sites of this scale have flushing toilets, concrete walking paths, airconditioned lunch rooms and very little work related disabilities.

The industry has a very limited ability to self regulate, will only respond to statutory obligations, or contractual obligations such as a procurement code for projects under \$100 Million, under \$400 Million and over \$400 Million. Like all industries at either end of the economic or industrial extremes construction is best managed by rapid arbitration, independent advice, industry standards and compliance.

The Queensland government is suspending BPIC. This will have a significant impact on Civil and Building works in Queensland. The market impact will take time and with major contractors or subcontractors locked up in enterprise agreements the full market impact will take six months or more.

Will parties need to change agreements to reflect the market? Will new entities enter the market?

History tells the story of the 'Golden Rule' in construction, he with the gold makes the rules, but how does that apply with a shortage of trades and a narrowing of subcontractors with the capacity. The Queensland State Government as the largest client in the industry is changing the rules. The timing and general lack of large private projects will impact any resistance to change.

A Productivity Commission is needed to deliver industry reforms, reset the balance, and address areas of the industry including:

- rapid dispute resolution (contractual, safety and industrial);
- reduce lost time;
- reduce trade apprentice timelines to reflect modern trades;
- reduce industrial disputation;
- improve productivity and workforce management;
- improve cashflow;
- reduce risk;
- maintain, monitor and manage safety;
- improve independent monitoring and reporting;
- deemed labour and non-labour components of progress claims for rapid payment on labour components improving cashflow and wage security.

Only an independent, statutory organisation like the proposed Productivity Commission can provide the community with structured, balanced and fair advice on large industry issues in construction and other industries or other social issues. The Commission will operate independently from Government and its views, findings and recommendations are based on its own analysis and judgments to benefit the people of Queensland. We submit the Commission may require increased inquisitorial powers to investigate, beyond the proposed s.35 '*Power to require information for inquiries and research*' including powers to enter, inspect, conduct an interview, and powers to require persons to answer questions at a hearing or conference.

We recommend the Commission needs to be a standing inquisitorial system, akin to a coroner, the emphasis lies with the active role of questioning or looking for something, seeking the truth about productivity. Without significant powers to investigate the Commission may have limited knowledge of the issues involved.

We acknowledge the significant body of work to be completed and we are ready to assist the in building a Productivity Commission for Queensland to deliver extensive change that goes beyond the current scope and powers in the Bill. In the alternative a Construction Commissioner could be introduced to resolve disputes, mediate, arbitrate, issue orders and fines in the interest of productivity on public works projects.

Regards

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