

Queensland Productivity Commission Bill 2024

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Mr Michael Crandon MP
Member for Coomera, Chair
Governance, Energy and Finance Committee
Parliament House
George Street
BRISBANE QLD 4000
By email: GEFC@parliament.qld.gov.au

Dear Mr Crandon,

RE: Queensland Productivity Commission Bill 2024

The Housing Industry Association (HIA) takes this opportunity to respond to the call for submissions by the Governance, Energy and Finance Committee on the *Queensland Productivity Commission Bill 2024* (the Bill).

HIA supports moves to establish a Queensland Productivity Commission (QPC), as an independent body to assist the Queensland Government in improving productivity and economic performance.

HIA's Election Priorities

The government has estimated more than 45,000 new homes per year are needed over the next 20 years in Queensland to catch up on demand and resolve the housing crisis in our state. To achieve this development of detached housing, infill multi-residential and high-rise unit towers must be supported. However, the increase in local government requirements combined with industrial relations changes have eroded the commercial viability of multi-residential projects, resulting in a significant decline in apartment developments.

As one of our core election priorities, HIA called on government to take urgent action to drive productivity reform. This included the establishment of an independent state-based productivity commission to undertake inquiries, research, reviews and reports relating to productivity, economic development and industry, as well as improving workforce productivity on high-rise unit tower developments, and reforming or abolishing Best Practice Industry Conditions (BPIC). It appears government has responded to these calls with the introduction of the Bill, proposed establishment of the QPC and pausing of the application of BPIC.

In addition, the establishment of the QPC overlaps with a range of HIA's other election priorities and policy positions for tax reform, a coordinated approach within government to housing delivery, reduction of regulatory burdens and red tape, workforce development and improving stability with a commitment to "do not harm".

Functions

Functions of the QPC are set out under s.9 of the Bill. While there is scope to broaden the functions under s.9(2), the listed functions under (1) are somewhat reactive when compared with those of the NSW Productivity and Equality Commission.¹ It is also noted that Part 4 permits the QPC to carry out research on its own initiative.

HIA suggests there may be the opportunity to empower the QPC to take a more proactive approach to improving productivity in Queensland by reframing its functions in the Bill. This would not be out of step with Part 4.

Composition of the QPC

In 2021, following ongoing criticism, government announced it had commissioned an independent review into governance of Queensland Building and Construction Commission (QBCC). The review was to examine the roles

¹ For example, "The Commission is tasked with identifying opportunities to boost productivity growth in both the private and public sectors across the state. The Commission seeks to continuously improve the NSW regulatory policy framework and identify levers that can increase competition to deliver better and more affordable goods and services for NSW residents." Available: <https://www.productivity.nsw.gov.au/about-us/what-we-do>

and responsibilities of the QBCC and QBC Board, along with their policies, procedures, and practices to ensure these arrangements are best practice for the regulator and fit-for-purpose to deliver on the objectives under the *Queensland Building and Construction Commission Act 1991*. In HIA's submission in response to the review, we raised long held concerns about the operations, reporting, and governance structures of the QBCC, anchored in a view that the QBCC has been burdened with responsibility for too many functions and needed to return its focus back to its core functions of industry licensing and compliance.

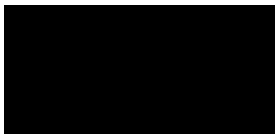
HIA understands the QPC's first task will be to carry out a comprehensive review of the Queensland building and construction industry, which we anticipate will include the relevant laws, regulatory settings and the QBCC. To that end, given the unique nature of the industry, complex regulatory environment and broad-ranging economic and social impacts, the commission should comprise of members with a broad skill set, including experienced industry and technical experts who have a sound understanding of the residential building industry.

The Bill under s.15 provides that board members and the productivity commissioner are appointed by the Governor in Chief on recommendation from the Minister and must be appropriately qualified. Given the QPC will not be restricted to considering matters related to a particular industry, it may not be appropriate to detail further, more particular experience or qualifications within the legislation. However, we reiterate our position that when selecting board members, consideration should be given to the QPC's first task and ensuring board members are suitably experienced and qualified, ideally including residential building industry knowledge and experience. This is supported by s.16 and s.18(6), under which a 3-year term is prescribed, but reappointment is also permitted, giving scope to respond to current and anticipated matters.

HIA looks forward to engaging further with the Queensland Government in future on this important matter, including the circulation of any draft regulations. Should you wish to discuss anything further, please don't hesitate to contact me by phone or email, [REDACTED].

Yours sincerely

HOUSING INDUSTRY ASSOCIATION LIMITED



Michael Roberts
Executive Director