




Speech By
Hon. David Janetzki

MEMBER FOR TOOWOOMBA SOUTH

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MINISTERIAL STATEMENT

Labour Productivity

 **Hon. DC JANETZKI** (Toowoomba South—LNP) (Treasurer, Minister for Energy and Minister for Home Ownership) (2.13 pm): After a decade of declining productivity, the Crisafulli government has driven productivity growth in its first 10 months in government. We recognise the critical need to turn around poor productivity, particularly in the building and construction sector. It is why the first bill I introduced was a bill that re-established the independent Queensland Productivity Commission, which Labor had axed. It is why our first referral to the Queensland Productivity Commission was to investigate productivity within the construction industry.

The QPC's interim report, released last month, paints a bleak picture of an industry weighed down by union indulgence, stifling regulation and a stretched labour market. The findings expose inefficiencies that threaten Queensland's housing supply, infrastructure delivery and economic competitiveness. The commission has identified a marked decline in productivity, which has led to the construction of fewer new homes, higher rents and significant delays and cost blowouts on major projects.

Since 2018 construction productivity has declined by nine per cent. It means that for something to be built today it takes nine per cent more output than it did seven years ago. That equates to 77,000 fewer homes built in Queensland since 2018. Labor's productivity crisis is at the very core of our state's housing affordability challenges.

It also threatens the successful delivery of major generational infrastructure projects. The QPC's interim report confirmed what the industry was telling the former government for years—concerns that were ignored. The report identified complex regulations and suboptimal procurement practices as major contributors to lagging productivity by making construction more difficult and more expensive. It forecast that by 2029-30 Labor's Best Practice Industry Conditions would cost the Queensland community up to \$20.6 billion, with fewer homes built and entrenched higher rents.

The interim report validates our decision last November to suspend BPICs for all new government projects. We look forward to the commission of inquiry into the behaviour of the CFMEU in Queensland shining a light on what has previously been hidden. While weak productivity is not isolated to Queensland, last week's federal economic reform round table discussion on this issue more broadly across the nation showed we are leading the nation when it comes to reform efforts. Submissions on the QPC inquiry close on Thursday, and the government will be given three months from 24 October to respond to its findings before the commission publishes the final report.

Queensland stands ready to help the national productivity push. After 10 years of decline under Labor, the first 10 months of the Crisafulli government have already proven that we are focused on delivering for Queensland.