




Speech By  
**David Lee**

**MEMBER FOR HERVEY BAY**

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Record of Proceedings, 20 February 2025

### **QUEENSLAND PRODUCTIVITY COMMISSION BILL**

 **Mr LEE** (Hervey Bay—LNP) (8.15 pm): I rise to speak in support of the Productivity Commission Bill. The objective of the bill is to establish the Queensland Productivity Commission as an open, independent and impartial statutory advisory body. This bill was a 2024 Crisafulli Queensland state election pledge and a key commitment in our 100-day plan. Today we are delivering on that promise.

In 1918, Norman Lindsay penned a comic classic called *The Magic Pudding*. It is a story about a magical pudding called Albert which, no matter how often he is eaten, always re-forms to be eaten yet again. The comical 'magic pudding' has become a useful metaphor in Queensland economic analysis and debate. 'Magic Pudding economics' could be used to describe an ever-replenishing resource. It is a very apt description for Labor's reckless approach to economics, over-regulation and the cost-of-living crisis. It is a fairytale story that, no matter how much you spend, money keeps magically replenishing. To use an idiom, it is having your cake and eating it too—over and over again.

Queensland is forecast to be \$218 billion in debt by 2028. Yesterday, the Standard & Poor's ratings agency downgraded our economic outlook from AA-plus stable to AA-plus negative.

Consider capital costs. Queensland Labor's legacy is a four-year blowout in capital costs from an estimated \$22.6 billion to \$129.9 billion. Economic modelling by Queensland Treasury over the term 2024 to 2030 estimates Labor's Best Practice Industry Conditions tax is likely to increase project costs by up to 25 per cent and create a net economic cost of \$17.1 billion. It is a fact that productivity is integral to a healthy and sustainable Queensland economy. Conversely, weak productivity results in lower economic growth, lower wages, higher unemployment and higher inflation.

The core business of the commission is to conduct formal public inquiries, reviews and investigations into complex economic and social issues, regulatory matters and/or legislation as referred to it by the responsible minister. The Queensland Productivity Commission was originally a statutory body created in 2015 to provide independent economic and policy advice to the Queensland government. According to the 2015 bill's explanatory notes, it was about delivering on the broad aims of lifting productivity, improving living standards and driving economic growth. However, in June 2021 Labor abolished the Queensland Productivity Commission, leaving Queensland without the independent analysis and investigatory powers so critical to a vibrant, healthy and secure economy.

There are 495,000 small and family businesses in Queensland that employ one million Queenslanders and contribute an estimated \$131 billion per annum to our Queensland economy. Small businesses create jobs, pay taxes and stimulate economic growth. In and about my electorate of Hervey Bay, there are 6,726 registered businesses, and 21 per cent of these are in the construction industry. The construction industry represents the largest share of small businesses in Queensland.

The first brief of the Productivity Commission is to conduct a comprehensive review of the building and construction industry. The commission will also deliver Queensland's first intergenerational equity report, outlining key issues that Queenslanders experience across the generations and the long-term

solutions. The Productivity Commission's independence is crucial to its effectiveness, and the provision of independent advice plays an important role in effective policymaking. Economist David Gruen has said—

Productivity outcomes will clearly depend not only on the choices and actions of the government, but also of the private sector, individuals, businesses, and the community at large.

He goes on to say that it is critical that government gets the policy settings right on both spending and regulation. According to the Business Chamber Queensland *Efficient regulation report 2023*—

Inefficient government regulation, or red tape, has impacted 70% of Queensland business' growth while the median business cost of complying with regulation has doubled to \$50,000 in the last two years ...

It continues—

To make Queensland productive, efficient and competitive there needs to be overall regulatory reform—to make it easier for businesses to work with government.

The Queensland economy generates more than \$500 billion in economic output per year, with major international exports including metallurgical coal with a nominal value of \$48 billion, LNG of \$22 billion and agriculture of \$13 billion.

In 2024 on the Fraser Coast there was a gross regional product of \$5.9 billion, up 5.8 per cent on the previous year. Gross regional product is a broad indicator of the growth of our regional economy. In 2024 there was \$692.9 million in overnight visitor expenditure and 986,000 visitors to the Fraser Coast. The 1,431 small and family owned Fraser Coast construction businesses, which employ 3,600 employees, need less over-regulation or red tape and a genuinely competitive marketplace.

It is timely that the Queensland Productivity Commission's first assignment is to comprehensively review the building and construction industry, including the Best Practice Industry Conditions—the CFMEU tax—which is driving up the cost of major projects by \$17.1 billion. The Queensland Productivity Commission is due to deliver the report in mid-2025. The Crisafulli government is committed to restoring productivity at building worksites and to the Queensland economy. It is a fresh start for Queensland and Hervey Bay.

After a decade of stagnation, we can no longer afford to kick the productivity can down the road. Queensland Labor has plundered Aesop's goose that laid the golden eggs. Restoring the Queensland Productivity Commission is about respect for Queenslanders' money, driving down the cost of living, improving housing affordability, and reliable and affordable electricity. Queensland Labor has left a legacy of reckless spending and unfunded promises.

Many in my Hervey Bay electorate have not forgotten a decade of Labor's chaos and crisis. Labor has no credible plan for a productive and vibrant economy to improve standards of living for all Queenslanders. Labor's state run service stations, state run general practices, free lunches and colossal capital cost blowouts are no substitute for a productive, thriving and growing Queensland economy.

Queenslanders have also not forgotten Queensland Labor's arrogant disregard for transparency, accountability and responsible government. Let the sun shine in on Labor's lack of accountability and integrity. Let the sun shine in on the \$236 million Wellcamp disaster shrouded in secrecy. Let the sun shine in on Labor's CFMEU and ETU dealings. How magnanimous of Labor to lecture the Crisafulli government on responsible government and parliamentary democracy.

The Crisafulli government is committed to instigating a rational and methodical approach to managing the Queensland economy. Productivity is integral to successfully managing our \$500 billion economy. Re-establishing the Queensland Productivity Commission is essential to a healthy and sustainable economy. Queenslanders have had enough of Labor's reckless magic pudding economics. It is time for a rational, impartial, open and transparent approach to improving productivity in our economy. I commend the Queensland Productivity Commission Bill to the House.