




Speech By
Hon. Samuel O'Connor

MEMBER FOR BONNEY

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QUEENSLAND PRODUCTIVITY COMMISSION BILL

 **Hon. ST O'CONNOR** (Bonney—LNP) (Minister for Housing and Public Works and Minister for Youth) (5.49 pm): I rise in strong support of the Queensland Productivity Commission Bill 2024 because after a decade of Labor it has never been harder for Queenslanders to have a roof over their head. The former government left us with a building and construction industry weighed down with unnecessary and overburdening red tape. This legislation will restore an independent economic advisory body to drive growth, improve efficiency and deliver better outcomes for all Queenslanders.

The Queensland productivity commission was first introduced a decade ago with the clear goal of providing independent, evidence-based advice to government on critical economic, social and regulatory issues. However, despite the valuable insights this body provided, in 2021 the commission was abolished by Labor, effectively shutting down independent scrutiny of the policies affecting Queensland's economic future. This bill reinstates the Queensland Productivity Commission as an independent statutory body, ensuring our state has a dedicated institution to identify and drive desperately needed productivity reforms.

It is an understatement to say that our state is facing economic challenges. Our productivity has stalled, and that means that costs are rising in our construction sector. That means housing supply has not kept up with growth. The Productivity Commission will be an important mechanism to get our economy working again. Their first task will be to conduct an inquiry into productivity in our building and construction industry. No other industry is as important to housing affordability, to job creation and to economic growth as our building industry. Productivity is the foundation of prosperity. When productivity slows, wages stagnate, costs rise and economic growth suffers. Queensland Treasury analysis of ABS data shows that over the last 20 years productivity in the construction and utilities sectors has grown by only 17 per cent, compared to 64 per cent in the broader economy. Had productivity growth remained at these historic levels, Queensland's real per capita income could have been \$11,000 higher in 2023-24. These numbers represent lost wages, higher costs and missed opportunities for Queensland families and businesses.

Under the former Labor government the Queensland productivity commission was dismantled in favour of internal, secretive processes. They did not like the message so they got rid of the messenger. It meant that for years our state has not had rigorous, independent scrutiny of economic policy. This bill will allow the Treasurer to direct the QPC to undertake inquiries, reviews and investigations or to request advice or research. The independent commission will also be able to initiate its own research and analysis into economic and social issues, regulatory matters and/or legislation. This bill fixes the mistake of Labor and ensures Queensland once again has an independent body dedicated to driving productivity and evidence-based policy.

If there is one sector that desperately needs reform it is our building and construction industry. Queensland and our nation are facing a housing supply crisis. Last month the Australian Government Productivity Commission released a report titled *Housing construction productivity: can we fix it?* The

findings were alarming. The number of dwellings completed per hour worked by housing construction workers has fallen by 53 per cent over the last 30 years. Labour productivity in house construction has declined by 25 per cent since 2001. In contrast, over the same time labour productivity in the broader economy has grown by nearly 50 per cent. These statistics make it clear that we are building fewer homes and we are building them less efficiently than ever before, which is driving up costs and making housing increasingly unaffordable.

Why is this happening? Partly it is because under Labor Queensland construction sites became the least productive in the nation. At least two days of productivity were lost each week—delays which left Queenslanders without homes in our growing state and without the infrastructure we desperately need. A key driver of this was Labor's sweetheart deal with the CFMEU: the Best Practice Industry Conditions, BPICs. Treasury modelling has revealed BPICs would have resulted in rents rising an extra seven per cent over the next five years and 22,000 fewer homes being built. This was a handbrake on housing supply. Worse still, analysis from my department shows that just 204 of the 176,000 licensed contractors and subbies in Queensland were certified under the BPIC prequalification framework—just 0.12 per cent of the industry. The former Labor government and the CFMEU shut the door on tens of thousands of small and family businesses, particularly in regional Queensland. That is why my first act as minister was to suspend BPICs pending the outcome of the Productivity Commission's building and construction review.

We are focused on unlocking housing supply because every Queenslanders deserves a place to call home. The regulatory burden on our builders is massive. Developers face a maze of planning, zoning and environmental infrastructure approvals, with major projects often taking 10 years or more to clear all regulatory hurdles. The National Construction Code alone has grown to over 2,000 pages, resulting in huge complexities for builders.

If we want to increase housing supply, we have to make it easier to build new homes. The work the Productivity Commission will undertake will deliver a higher level path forward to get our building industry to where it needs to be. Queensland cannot afford to wait until they deliver their findings. That is why we are delivering our Building Reg Reno. For the first time in a very long time, government in this state is reducing red tape and lowering costs for our construction industry. We are determined to make the QBCC more customer focused as well. Queensland's construction workforce is struggling with chronic skills shortages, apprenticeship commencements are down, licensing requirements are inconsistent across the nation and migration pathways for skilled workers are limited. The commission will explore ways to expand the construction workforce, to harmonise licensing requirements and to remove barriers to skilled migration coming to Queensland.

This bill is not just about identifying problems; it is also about solutions. The Queensland Productivity Commission Bill 2024 is essential to our state's future. By reinstating an independent productivity commission we are ensuring Queensland's economy is driven by evidence-based policy, not political convenience. By tackling inefficiencies in construction policies we will increase housing supply to give more Queenslanders a place to call home. By cutting red tape and removing barriers to economic growth we will deliver higher wages, lower prices and stronger industries. This bill addresses Labor's failures of the past, it tackles the challenges of the present and it plans for the future. It is practical, it is necessary, it is long overdue and I commend it to the House.