

Question on Notice
No. 595
Asked on Thursday, 26 May 2022

MR N DAMETTO ASKED MINISTER FOR ENERGY, RENEWABLES AND HYDROGEN AND MINISTER FOR PUBLIC WORKS AND PROCUREMENT (HON M DE BRENNI)

With reference to the Townsville Bulletin revealing on 26 May that home building approvals increased 39.4 percent to 1057 in the Townsville region in 2021, the building and construction industry in North Queensland having difficulty meeting demand due to challenges with access to labour and the supply and rising costs of materials—

Will the Minister advise what initiatives the State Government has planned for the 2022-23 financial year to address the challenges that the building and construction industry is experiencing?

ANSWER

The Queensland Government recognises the important work of the building and construction sector, its contribution to the Queensland economy and the importance of maintaining its financial viability. Australia-wide the building and construction industry is experiencing labour and material shortages caused by the global pandemic impacting the supply chain, increases in the frequency and severity of weather events and growth in residential construction.

The recent flooding across South East Queensland and New South Wales has amplified the shortages, with the government partnering closely with the insurance and construction industries to ease the pressures.

In responding to these challenges, the government has committed over \$1 billion to support jobs creation, including \$200 million over four years for skills initiatives and \$21 million to extend the free TAFE for year 12 graduates and free apprenticeships for under 21s programs.

In addition, a collaborative working group, which includes members from industry, the Queensland Building and Construction Commission and the Building Products Industry Council is continuing to work together to raise awareness among consumers and contractors regarding current, and potential supply chain issues. A temporary, voluntary, independent third-party mediation service was also established in July 2021 to help resolve contractual disputes between consumers and their builders caused by the trade and material shortages.

This is a global and national problem and cannot be dealt with in isolation. To this end, on 24 May 2022, I wrote to my Federal, State and Territory Building Ministerial colleagues seeking to have this matter included on the next Building Ministers' Meeting agenda.

The government is committed to ensuring more effective planning to minimise the chance of overheating the market. The government continues to work closely with Ministerial Construction Council members to access on the ground, current information to ensure strategies are targeted and effective.

To address this matter, specifically in the Building Construction and Maintenance Procurement category, the Queensland Government recently approved the new Building Policy Framework.

This policy is being rolled-out in a staggered approach and will commence in its entirety on 1 July 2023. Amongst other things, the new Building Policy Framework requires agencies to provide project and program details to create a pipeline of whole-of-government building projects (refer Policy Requirements 1 and 3) from 1 July 2023. The new Building Policy Framework is available on the Business Queensland website.

Regular collaboration and information sharing between agencies on planned programs of work, considering local contractor capacity and capability in advance of awarding the projects, is expected to:

- improve scheduling
- stagger the volume of works to maximise local contractor continuity of work
- deliver greater value for money to government; and
- properly implement government social policies.

The government will continue to work with industry and be responsive to challenges and emerging issues.