

6 December 2024

Committee Secretary
Governance, Energy and Finance Committee

EMAIL: GEFC@parliament.qld.gov.au

Dear Committee Secretary,

This submission sets out the general position of Master Builders Queensland on the *Queensland Productivity Commission Bill 2024* (the Bill).

Master Builders Queensland welcomes the introduction of the Bill and supports its passing.

We note that the Government has publicly committed to the new Productivity Commission's first order of business to be a regulatory review into the building industry. We support the Commission's focus on the building and construction industry.

Industry Background and Importance

In Queensland, the building and construction industry employs 275,850 people as of May 2024. As of July 2024, our industry was building \$860.5 million worth of non-residential building projects, with a substantial pipeline of work ahead. However, in the year to March 2024, only 32,512 dwellings were commenced – well below Queensland's share of the national housing accord.

While the Australian Bureau of Statistics do not publish state-based industry specific productivity data, nationally labour productivity in the construction industry was 18.1 per cent lower in 2022-23, than it was in 2013-14.

The establishment of a Productivity Commission, with a focus on the building and construction industry, provides a solution to positively address our industry's decline in productivity for the benefit of Queensland's economy.

Stakeholder Confidentiality

Any investigation into productivity in the building and construction industry will likely inquire into two important areas:

- government tendering, procurement and contract management, and

- the interplay between government policy (such as the Qld Best Practice Industry Conditions) and behaviour and tactics of construction unions to achieve certain industrial outcomes.

In relation to examining government tendering, procurement and contract management, the Commission may want to examine examples which involve information being provided by existing building businesses and individuals. For the Commission to be fully effective, the Commission may want to examine commercial confidential and sensitive information.

In relation to providing information, evidence or examples about union behaviour and its impact on productivity, industry stakeholders will be fearful of retribution by the union if this evidence is provided without adequate protections for companies and witnesses.

These are very real concerns of industry stakeholders which should be addressed if the potential of the Commission to make recommendations to improve productivity are to be successful.

To address both concerns, we recommend the Bill include provisions which allow information, evidence or examples to be provided in confidence, with the strongest possible protections for witnesses.

Similar protections are currently offered by the Fair Work Commission in relation to reporting a concern about the CFMEU Construction and General Division during the union's period in administration. The Australian Competition and Consumer Commission (ACCC) also offers protections for whistle-blowers, companies and witnesses.

If you would like to discuss our submission in further detail, please contact me on [redacted] or [redacted].

Yours sincerely,

Paul Bidwell
CEO