

16 November 2020

Hon Anastacia Palaszczuk MP  
Premier and Minister for Trade  
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Dear Premier

Congratulations on a resounding election win. With the result now under your belt, I appreciate that your priorities will be strengthening the Queensland economy and getting Queenslanders back to work.


As your Government prepares the upcoming Budget, it's important to outline the building and construction industry's short-term priorities that will help you achieve these goals, through a construction-led recovery. Our industry's role in this recovery is undeniable, but there are a number of issues to be addressed to allow that to happen.

A recent report from the Australian Housing and Urban Research Institute (AHURI) ranked the building and construction industry among the top three to lead Australia's post-COVID economic recovery. The October 2020 report found that "non-residential construction, followed by residential construction, and then infrastructure spending has the highest multiplier effect to those industry sectors hardest hit by the pandemic".

We have already seen firsthand the HomeBuilder Grant and the Queensland Government's Regional Home Building Boost Grant reignite the residential sector. Even before the COVID-19 pandemic hit, the industry was facing a dire future. However, over the past three months residential building approvals have turned around to grow by 14.7 per cent. Government stimulus measures for residential construction to date have been very welcome and they played a big role in this turnaround – but there is more to be done.

Firstly, we must ensure that the recovery in the residential sector is sustained. Master Builders forecast is that the low point for residential construction will during 2021-22. We need to ensure that the stimulus does not just condense a year's worth of work into the coming months, but rather provides sustained support through this projected downturn. For this reason, we ask that the Queensland government support our call to the federal government to extend HomeBuilder until 31 December 2021. Similarly, the Queensland government should extend its own Regional Home Building Boost Grant for the same time period.

Secondly, while the residential sector has been well supported the commercial sector has continued to languish. Over the past three months non-residential work is has fallen by 1.3 per cent. Left unchecked Master Builders forecast is that this will mean a loss of \$2.5 billion in annual construction work by 2025 or a 28 per cent downturn.



The Government needs to get on with spending its committed \$14 billion capital budget, and more of this money must be allocated to public buildings over civil construction. Building construction gives much more immediate 'bang for buck' than civil projects by putting more people to work straight away. The government must also provide a clearer picture of the three-year building pipeline. Knowing that these projects are coming is only half the story. Commercial builders need visibility of the pipeline to not only boost confidence but allow them to plan accordingly.

Finally, it won't be possible for governments to solely spend their way out of the current economic challenges. Queensland will need to rely on a strong private sector and a competitive and productive industry.

As part of positioning Queensland for economic recovery post-COVID, it is essential that there is a fair, reasonable and balanced approach to regulating the construction industry. We need a genuine commitment from the Government to address the red tape and impractical processes that are impacting our ability to do business.

In summary, we believe the first priorities for the Government should be:

1. Support calls to the federal government to extend HomeBuilder until 31 December 2021 and extend the Queensland government Regional Home Building Boost Grant to match.
2. Allocate more of the Government's capital budget to public buildings over civil construction.
3. Provide a clearer picture of the State's three-year building pipeline. Knowing that these projects are coming is only half the story.
4. Scrap plans to introduce the next wave of contentious security of payment regulations under the Building Industry Fairness Act.
5. Bring balance back to building regulation. Ensure the building and workplace health and safety regulators wield their powers fairly; holding those who operate outside the rules to account while not standing in the way of those running their businesses properly.
6. Scrap the Best Practice Principles and Minimum Conditions policy for major state government projects. There needs to be an end to regional Queensland paying more than they should for public buildings, like schools and hospitals.

There's plenty of work to be done, but together these are the issues that will provide meaningful change in the short-term and do much to jumpstart the economy and jobs growth.

We look forward to continuing to work with you towards building a stronger, prosperous economy for Queenslanders.

Yours faithfully

Grant Galvin

CEO

