



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**QON No. 21**

**STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

**JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA,  
SUZANNE ORR MLA**

**Inquiry into referred 2016–17 Annual and Financial Reports  
ANSWER TO QUESTION ON NOTICE**



**Asked by MS ORR MLA:**

Chief Minister, Treasury and Economic Development Directorate Volume 1 Output 4.1 Economic Management

In relation to:

1. What are some of the barriers to productivity growth in the construction industry?
2. Would rectification of building defects be included in the productivity measure for the industry?
3. If it is what is the impact of rectification of building defects on the estimate for productivity of the construction industry?

**Mr BARR MLA:** The answer to the Member's question is as follows:—

1. The key barrier to productivity growth in the ACT construction industry is the sheer volume of major infrastructure projects underway across the Australian eastern seaboard. In NSW and Victoria alone the infrastructure construction pipeline is currently \$70 billion and \$50 billion respectively, with one project alone in NSW, the Westconnex construction project costing \$16.8 billion. As a result the ACT construction industry is struggling to find qualified personnel to resource their infrastructure construction projects

The ACT government has a proactive working relationship with the ACT construction industry in order to improve productivity. Initiatives include:

- a. New forms of contract to allow Design & Construct delivery methods which encourage innovative and more productive processes by industry, whilst minimising red tape through quality assurance rather than quality control; and
  - b. The Active Certification Policy that causes a continuous improvement cycle in relation to WHS thereby minimising downtime through injuries and economic costs.
2. Yes.
  3. This is unable to be quantified.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: *Andrew Barr*

Date: **29.11.17**

By the Treasurer, Andrew Barr MLA

