Event: Senate Select Committee on Productivity
Date: 20 June 2026
Speaker: Shane Garrett, Master Builders Australia Chief Economist

Opening Statement

E&OE

Chair and Senators, we thank you for the invitation to appear before the Committee today.

I'm Shane Garrett, Chief Economist of Master Builders Australia.

Joining me is my colleague Melissa Byrne, our National Director for Policy and Legal. Unfortunately, our nation's productivity crisis is all too familiar to everyone in our industry.

The amount of work done per person per hour in the construction industry is 21 per cent lower than it was a decade ago.

The result?

Homebuyers are now paying 44 per cent more for a new home compared with just before the pandemic.

Completing a new apartment now drags on for 33 months – a journey which used to take just 21 months a decade ago.

It's not just a problem for the construction industry.

Bad productivity in our industry contaminates the rest of the economy: unaffordable housing and infrastructure erodes the buying power of people's wages and incomes.

The incentives to work and innovate become diluted, making it even harder to boost living standards.

Fortunately, housing finance conditions can drive real improvements here.

We acknowledge Federal Government initiatives like the Housing Australia Future Fund and Help to Buy.

But the good work being done here is at risk of being wiped out.

As we sit here today, the housing market is in disarray.

The federal budget-imposed restrictions on Negative Gearing, the Capital Gains Tax discount and SMSF-related borrowing. The housing market has since stagnated – with real fears that housing investors will abandon housing as an investment option altogether.

All this turmoil is anticipated to reduce new home building by 8,700 over the next four years – at a time when we're not building nearly enough new homes.

Even before the federal budget, builders and developers complained that the financial case for proceeding with many new housing projects wasn't strong enough.

Today, the business case is even weaker.

It's vital that financial system settings are as supportive as possible to the new homes we need and the enabling infrastructure we require.

With the housing market navigating such uncertainty, we need to look at how financing conditions, tax settings and other policy measures can be harnessed to maximise new home building activity over the years ahead.

Thank you for your time. We look forward to answering any questions you might have.