

MEDIA RELEASE

PRODUCTIVITY BOOST DESPERATELY NEEDED

6 February 2026

Western Australia has a productivity problem.

Today's Australian Bureau of Statistics data release shows WA's productivity issues across all sectors continue to worsen, with multifactor productivity dipping 2.3 per cent, and the state's labour productivity dropping 4.4 per cent.

This is the second-worst result in the nation for multifactor productivity, and equal-worst for labour productivity.

Multifactor productivity measures how effective an industry is at converting resources like labour and materials into final outputs: new homes, infrastructure, schools and hospitals.

Nationally, the building and construction industry has suffered a seventh consecutive year of decline, with productivity dropping 2.8 per cent over the last financial year. The result is a 21.5 per cent decline in a decade.

Master Builders Western Australia (MBAWA) believes onerous and cumbersome clauses in enterprise agreements with unions also have an adverse impact on productivity, with the flow-on effects negatively impacting the entire building and construction industry.

The peak body says provisions that limit flexibility and give unions excessive influence over baseline industry standards must be reworked to reduce lost time onsite and improve labour productivity.

MBAWA CEO Matt Moran said WA's construction businesses are using more labour and materials than ever before, but producing fewer new homes and other construction projects.

"The blame for this doesn't rest on the shoulders of builders and businesses. Instead, it's the cumulative effects of ever-increasing regulation and red-tape," said Mr Moran.

"A decline in productivity means a delay in delivering the new homes WA so desperately needs, and it makes those that do get built much more expensive."

"It means young people are going to live with their parents for longer and families on the list for affordable or social housing also wait longer. It has a profound impact on multiple segments of our society, especially our most vulnerable."

MBAWA is hopeful the 2050 Commission announced today by the State Government will drive positive change and cut red tape to boost productivity in the building and construction industry.

“MBAWA supports pragmatic policies that focus on reducing regulation, boosting supply and fast-tracking workforce development. We welcome initiatives which focus on supply-side solutions.”

The findings of the National Productivity Commission’s report into Housing Construction Productivity, which were released in February 2025, showed many of the issues impacting the building and construction industry are not new.

“The WA building and construction industry needs decisive action now to slash red tape, boost productivity and increase land supply,” said Mr Moran.

“We look forward to working with the State Government to improve the living standards for our community.”

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About Master Builders WA

Master Builders WA services the needs of the entire building and construction industry, from residential to commercial, civil engineering businesses, principal contractors to subcontractors, manufacturers and suppliers. We assist members by providing access to a wide range of specialised services, recognition through awards, as well as advocacy to government and industry. MBAWA also serves the Western Australian public by fostering best practice work standards.

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