Media Release

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GIVE COUNTRY BUILDERS A FAIR GO: MASTER BUILDERS

Government incentives to use regional building contractors and suppliers should be doubled, the Master Builders Association says.

Under the Buy Local Policy, a contractor tendering for a regional Government construction project can claim preferences if it has an office in the area and if it undertakes to purchase services and materials from local businesses.

Its tender price is notionally reduced by up to 10 per cent if both preferences apply, but only in contracts up to $5 million. Master Builders is calling for the incentives to apply in projects up to $10 million.

Builders say opportunities to tender for substantial projects in their regions are limited.

The Buy Local upper limit does not reflect their capacity to take on much bigger jobs but the incentives plateau at the $5 million level.

Master Builders supports an increase in the regional preferences.

“We’re calling on the major parties in the lead up to the election to look at the Buy Local preferences and commit to doubling them,” says Master Builders’ director Michael McLean.

“The incentives support builders maintaining a presence in country towns,” he said. “They encourage use of local labour, suppliers and trades and create opportunities for apprenticeships.”

Mr McLean said there were many country builders and regional offices of metropolitan firms capable of taking on $10 million building and construction projects.

“In the interests of a strong building industry, and ultimately, a strong economy, these country businesses and their local subcontractors, apprentices and suppliers need to be fostered,” he said.

But Master Builders says there also needs to be tighter monitoring of successful tenderers who have benefited from the incentives.

“The criteria by which a business is judged to have a regional office need to be strengthened,” Mr McLean said. “A requirement should be that at least a small number of the business’s employees live permanently in the town or locality. And currently, an office can be said to be permanent if it has been operational for six months. This should be increased to a year.”

Mr McLean said there also needed to be more rigorous auditing of the regional content preference. It was too easy to claim at the time of tendering that local labour and materials would be used but then to bring in subcontractors and supplies from elsewhere.

“This is a difficult issue,” Mr McLean said. “Things often are pretty fluid between the time tenders close and actually doing the job but we still believe there’s a need for greater integrity in the system. That means the Government agencies responsible for the projects taking a more active interest.”

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