

Media Release

Builders welcome coronavirus support

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The Federal Government's \$17.6 billion stimulus package should bolster economic resilience in the face of the coronavirus challenge.

Master Builders WA executive director John Gelavis welcomed the leadership demonstrated by the economic support, which will be a relief for many small businesses in the state.

"Our industry is finally on the verge of recovery, so confidence and business support are critical. We are pleased to see the Government committed to doing whatever it takes to assist," Mr Gelavis said.

"Builders and tradies around the country will appreciate the huge boost in the instant tax write-off threshold from \$30,000 to \$150,000, with eligibility leaping \$450million to cover businesses with turnover under \$500 million.

"There are approximately 224,000 small businesses in WA and around 40,000 of them are in the construction industry, which is more than any other sector of the state economy. We look forward to the benefits from the Government's strong focus on small business support.

"We strongly back the moves to help businesses, particularly small businesses, keep workers and apprentices employed. The danger with economic shocks is that the labour market recovers slower than the rest of the economy so the moves to avoid workforce shrinkage are well targeted.

"The building industry employs more than 40 per cent of the state's apprentices. We applaud the stimulus focus on apprentices but it is important that all group training organisations in WA, regardless of size, are supported.

"However, if there is a major contraction in building activity then the benefit of these measures will be blunted. The State and Federal Governments must take a strong leadership role in ensuring that construction of government projects continues without delays or withdrawals.

"Master Builders is concerned the coronavirus situation may cause project delays, leading to difficulties for builders in meeting their contract terms. We urge all parties to a contract to take a sensible approach and not be legally opportunistic. We have raised this issue with the Federal Government and State Government's Building Management and Works and have recommended that they take the lead with government contracts and ask that the private sector follow suit.

"Our industry also is bracing itself for shortages and delayed delivery of imported building products. This is a hit to our industry that is looming over the next few months and additional government measures may be required."

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