

Media Release

Building Bonus needs more time as well as money

September 15, 2020

The Building Bonus boost announced by the WA Government today will help to keep building activity buoyant and builders say the next step is to give the program more time.

Master Builders executive director John Gelavis welcomed the extra \$30million funding for the successful program and said an extension would allow builders to meet the high demand.

“The home building industry has just been through a long slump and the sudden surge of work creates the risk of labour shortages,” he said.

“We hope tradespeople will return to the industry but the closed WA borders are stopping interstate workers from coming in so it will be difficult to increase capacity quickly.

“High demand has also made titled land scarce. Arranging new titles, preparing land for building, council authorisation and finance approvals all take time. Easing the pressure will give us the best benefits from the Building Bonus.

“Master Builders wrote to the Premier on March 19 calling for a \$40,000 building grant, expanding the ‘off the plan’ apartment rebate to those under construction, more social housing, fast tracking maintenance projects, building social infrastructure and greater investment in regional housing.

“In a survey in April, more than 70 per cent of members reported a 40 per cent decline in their pipeline of work and were heading for a catastrophic plunge in September.

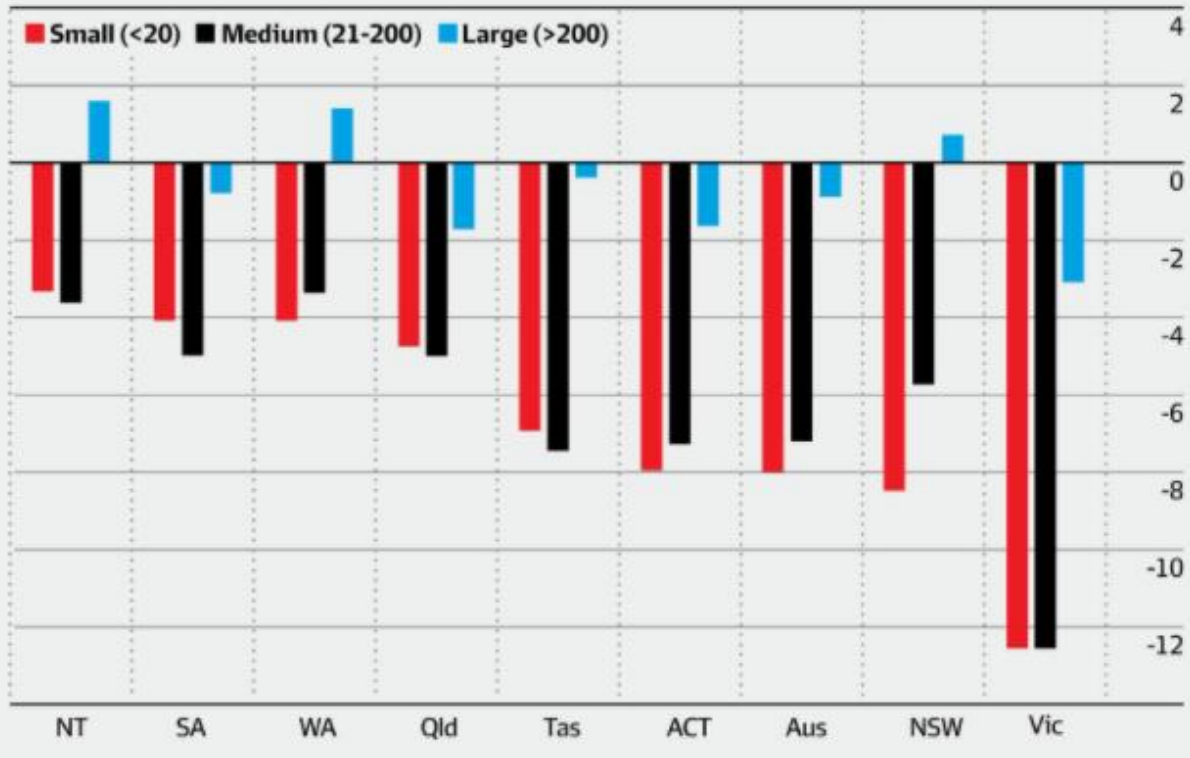
“Instead, many of our recommendations have been adopted and are now delivering big time for the economy and small businesses across the state.

“The latest data showing Western Australia’s job recovery rate prove the success of the Building Bonus. About 128,000 people are directly employed in WA’s construction industry, equivalent to 1 in every 10 jobs across the state. More than 40,000 businesses across WA are engaged in the building and construction sector, the vast majority of which are small. Over the year to June 2020, the value of construction work done across WA was valued at \$26.4 billion.

“We can’t stop here. A strong building industry is essential to a strong economy and vice versa. That is why fiscal and policy measures that activate private capital, encourage business to invest and help fill the demand gap are vital to economic recovery.”

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Jobs lost by size of business (%)



Jobs index by state, relative to pre COVID-19 levels (points)

