

Advocacy Platform

Master Builders' Association of WA



STRONG BUILDING

STRONG WESTERN AUSTRALIA





MASTER BUILDERS

POLICY PRIORITIES

WESTERN AUSTRALIAN ELECTION 2021

A strong building industry is a crucial driver of a strong economy. It creates jobs, trains people, drives wider economic growth and builds better communities. The multiplier effect of the building industry also contributes to the broader economic wellbeing of the nation by increasing demand for raw materials, retail products and services, and professional services in fields like architecture, engineering, legal and administration.

We are pleased that many of our recommendations to State and Federal Governments were recently adopted, leaving the WA economy well placed to lead the nation's recovery from COVID-19. The building and construction industry however is particularly vulnerable in the current environment due to its dependence on global supply chains and heavy reliance on cash-flow. The next 4 to 10 years are crucial to ensure the industry continues to grow and support the multiplier effect, enabling a strong economy and positive local job outcomes for the benefit of all Western Australians.

We need an approach that cuts 'red' (bureaucratic) and 'green' (environmental) tape, builds confidence in the industry and facilitates spending to maximise a consistent pipeline of building and construction work – ultimately enabling the industry to build structures that the entire community depend on, and will benefit from for decades to come.

The incoming State Government must make a long-term commitment to productivity, economic settings for housing affordability, asset creating infrastructure, skills development and small business, to drive the next phase in Western Australia. It must also commit to removing unnecessary, outdated or duplicated regulation, addressing key risks and simplifying the legislative framework that is currently holding the industry back.

Our election priorities centre around 5 key themes. We're asking Western Australia's next state government to commit to actions that help the building and construction industry grow, increase our contribution to the economy, improve building confidence and build a better industry.

BUILDING SAFE & PRODUCTIVE WORKPLACES



Priority must be on safe and productive workplace culture in the building industry. The incoming State Government must support the development of a building sector that is underpinned by public confidence, focused on proactive safety measures and free from unlawful conduct, maximising the benefits of infrastructure and investment spend.

1.1 Establish a dedicated **Building and Construction Minister** to better oversee and coordinate government planning, procurement, investment and regulation of building and construction activity. The Minister would have portfolio responsibility for all facets of housing, civil and commercial construction.

1.2 Commit to progressing important **industry reforms** to build confidence in the building and construction sector, and appropriate regulatory powers, ensuring the implementation of recommendations that are evidence-based and legally and commercially sound.

1.3 Commit to **ending the abuse of safety** as a bargaining chip in industrial relations matters. Militant and unlawful union behaviour causes disruption to workplaces, halts construction, stifles productivity, and adds up to 30% to the cost of building community projects such as hospitals and schools – a cost directly borne by the taxpayer. Appropriate resourcing of the

Australian Building and Construction Commission (ABCC) is critical to ensure the law is upheld and strong action is taken against unlawful behaviour.

1.4 Address the inquiry recommendations to ensure **WorkSafe** operates as an effective and appropriately resourced safety regulator- applying a proactive regulatory approach, and demonstrating commitment to work in conjunction with industry to educate and promote safe work practices and support the development of positive safety culture on worksites. The new industrial manslaughter laws do nothing to improve safety in the workplace, and the focus must be on proactive safety measures that achieve results.

1.5 Develop a dedicated, industry focused **training and education program** focused on increasing the ability of the industry to identify, avoid or minimize safety risks, to be delivered by Registered Training Organisations (RTOs) and subsidised by the Construction Training Fund.

1.6 Invest in **preventable disease programs** to eradicate asbestosis through education, incentivisation and eradication programs for public and private buildings; and raise awareness and promote safe practices around the use of silica to avoid silicosis.

ECONOMIC SETTINGS FOR STABILITY & GROWTH

Western Australia needs a strong building industry as we continue the transition out of COVID-19, but this will only be possible if we get the economic settings right. Our state must address barriers in key policy areas such as tax, home ownership, land affordability and migration levels to deliver a stronger building industry.

2.1 Maintain the **pipeline of work** for the housing sector, including through continuing commitment to social housing, first homeowner grants, and stamp duty exemptions and concessions for first home buyers.

2.2 Address **impediments to home ownership** through broader stamp duty concessions for all new residential projects and local government stimulus measures to inject growth and support local economies in regional Western Australia.

2.3 Invest in and expand the State Government-owned **Keystart program**, continuing to support more Western Australians to achieve home ownership through low-deposit home loans and broadening the loan book for the first home buyer market.

2.4 Conduct a **review into land affordability**, which directly impacts overall housing affordability, to understand the reasons for the significant increase in land prices, and how to best ensure adequate supply and affordability of titled land ready for construction.

2.5 Promote **population growth** to drive economic growth, attract skills and labour from interstate and overseas and increase investment into Western Australia.

2.6 **Review taxes, fees and charges** borne by consumers, including stamp duty, the 7% foreign investor surcharge on residential property, unnecessary compliance costs through 'red' and 'green' tape, and state and local government taxes.



3 INFRASTRUCTURE & INVESTMENT

Targeted infrastructure keeps us out of traffic jams, ensures we are better connected, allows us to be healthier and makes our cities more productive, whilst creating job, training and education opportunities. Making a long-term commitment to major capital works projects in conjunction with engineering and social infrastructure such as education, health and community facilities will make a big difference to economic confidence and prosperity in WA. Getting procurement right at the start is also critical to set the State up for success and deliver quality outcomes and value for money.

3.1 Work with the Federal Government to release more **shovel ready infrastructure projects** from the pipeline and increase medium-sized construction maintenance projects to immediately spur growth, create jobs and get the economy moving.

3.2 Drive commercial construction through **greater infrastructure investment**, adopting greater private and public sector investment in capital works projects and asset creating social infrastructure to bolster the WA economy, whilst continuing current

projects such as Metronet precincts and Perth City Deal.

3.3 Establish our **'CommunityBuilder'** program to apply the successful residential building stimulus model to commercial construction through activating investment by community groups and NFPs, funded by State Government Grants of 25% of the value of the new community facilities or substantial renovations of existing facilities, up to the value of \$5 million.

3.4 Support Regional WA through implementation of a Regional Deal in Bunbury and utilising Royalty for Regions funding to increase commercial construction in regional locations.

3.5 Demonstrate leadership and best practice in **procurement** and avoid a "race to the bottom" through innovative procurement models, applying qualitative assessment and appointment criteria (not reliance on lowest price), ensuring contracts fairly apportion risk, appointing independent superintendents to oversee projects, prompt payment of sub-contractors and applying ongoing financial performance measurements. Approaches must

recognise that governments play a dual role as both client and regulator in the procurement process, which can create conflict and increase complexity and risk for parties. Consistency is also required between State Government agencies in the tendering process.

3.6 Ensure forward planning and early release of **priority and future infrastructure projects** by Infrastructure WA, so that industry has certainty around the pipeline of works, tendering processes, and what it can confidently engage in over the longer term.



JOBS & SKILLS FOR THE FUTURE

The building and construction industry is the state's second largest employer, comprising 120,000 people or 9% of the Western Australian workforce, employing more full-time workers and apprentices than any other industry and over 40% of the state's apprentices. Training the next generation is critical to the state's economy and prosperity and avoiding future labour shortages seen in the past. Equally important is achieving the highest standards of building quality by upskilling the current industry to increase knowledge and innovation; and supporting diversity.

4.1 Provide **workforce development support** and address the growing demand for construction and trade skills through apprentice incentives, a building and construction new workers program, and support for Group Training Organisations (GTOs). This support should aim to increase diversity of participants in the industry.

4.2 Support employers to **increase apprenticeship completion rates** through targeted measures and increased incentives to assist and encourage employers to take on more apprentices across the building trades and see them to the end of their apprenticeship.

4.3 Implement **targeted pre-apprenticeship programs** to support the availability of site-ready and productive tradesmen and tradeswomen who

contribute to positive workplace safety culture and boost business productivity.

4.4 Provide industry funding to develop a state **'Women Building Western Australia Mentoring Program'** (modelled on the successful Master Builders Australia mentoring program) specifically designed to attract and retain women in the building and construction industry through targeted support by experienced leaders and successful women and men in the industry.

4.5 Actively **promote the building and construction sector** as a valuable and satisfying career path for women, increasing knowledge of the breadth of opportunities in target groups from primary school aged children and their parents to mature aged participants looking for a career change.





MORE SMALL BUSINESS & LESS RED TAPE

Of the 224,270 businesses in the building and construction industry, over 40,176 are small businesses – the greatest number of any industry segment – producing more than half the industry’s output and create almost one third of the total jobs.

The State relies on a confident, entrepreneurial and innovative small business sector, yet the efforts of small businesspeople are hindered by financial and regulatory impediments such as onerous taxes, over-regulation and excessive compliance burdens, all of which add to higher costs of homes and community infrastructure.

5.1 Address over-regulation of the building and construction industry and reduce ‘red’ (bureaucratic) and ‘green’ (environmental) tape burdens, to ensure only fit-for-purpose and evidence-based regulation remains, for the benefit of all Western Australians. New legislation and policy should only be introduced following a rigorous cost-benefit analysis and thorough, meaningful consultation processes. Both should be applied proportionately by state and local government regulators.

5.2 Ensure security of payment legislation reduces the risk of non-payment in the industry by being practical, industry-focused, commercially viable and readily understood and applied by industry players. Should a retention trust model be pursued, implement a phase-in period and an education and training program, to be delivered by industry RTOs, to support the roll-out of the changes and to ensure the appropriate level of knowledge and skills for industry to comply with trust accounting obligations.

5.3 Commit to a future-proof building approvals framework that can adapt to the changing nature of housing demand and delivery through evolving demographics, planning reforms, technological advancements, and future challenges.

5.4 Commit to pursuing a coordinated national response by the federal and state and territory governments to stop the flow of **non-conforming building products** into Australia, establish a compulsory product certification system for high risk building products, and ensure appropriate enforcement action.

continues on page 10...

continued from page 9...

5.5 Develop workable insurance coverage options to address the:

a. Home indemnity insurance (HII)
crisis, ensuring a sustainable insurance market that expands on the current single option for obtaining coverage for death, disappearance or insolvency of abuilder, without detracting from housing affordability and activity.

b. Professional indemnity insurance (PII)
crisis, ensuring availability of appropriate coverage for professional risks and facilitate ongoing construction work.

5.6 Commit to an improved **‘one planning framework’** that concisely accounts for state, regional and local plans and policies, guides decision-makers in both strategic and statutory planning matters, supports consistent and efficient planning decisions, and limit delays in residential planning approvals.

5.7 Implement our **‘Easystart’ Program** to provide for the granting of certified building application/approvals within 5 days for sufficiently documented proposals, and fast-tracking processes to obtain missing information to achieve efficiency and reduce delays.

5.8 Pursue the formal registration of town planners to achieve appropriate accountability (as per building surveyors).

AUTHORISED BY:

John Gelavis
Executive Director
Master Builders WA

*Master Builders’ Association of Western Australia
(Union of Employers) Perth*





STRONG BUILDING
STRONG WESTERN AUSTRALIA



**MASTER
BUILDERS**
WESTERN AUSTRALIA

building a better industry



@MASTERBUILDERSWA



@MASTERBUILDERSWA



@MBAWA_NEWS



MASTER BUILDERS
ASSOCIATION OF
WESTERN AUSTRALIA