

Media Release

Master Builders WA opposes border renege

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On 20 January 2022, the State Government reneged on their promise to reopen the borders on 5 February 2022.

Master Builders Association of Western Australia strongly opposes the State Government's decision to delay the border reopening. The building and construction industry has faced dire challenges during the COVID-19 pandemic, including, trade availability, skills and labour shortages, supply chain issues and disruptions, price escalations and financial hardship.

The building and construction industry prepared on numerous fronts for the borders to reopen by 5 February, and like many other industries, are disappointed with the State Government's decision to renege on their promise.

The building and construction industry is made up of about 98 per cent of small businesses. Around 40,000 of the 220,000 small businesses in Western Australia are operating in the construction arena. Small businesses have been preparing for borders to reopen on 5 February since the news was announced. During preparation, builders booked new projects and had banked on relief in sight for current projects, expecting to have a skilled labour force enter WA. Now, with the continued border restrictions, skilled labour are unable to enter the state, businesses are unable to go ahead with new projects, and are struggling to complete current projects.

Small businesses are struggling to keep afloat with all the issues they are facing. Despite following the government guidelines, they have not been given reprieve and are now experiencing financial hardship. Clients are becoming disgruntled, stalled on phase one of construction. At the moment, projects are being put on hold, businesses fear the uncertainty and are too small to handle any losses.

The effects and challenges the industry are facing are not short lived, they will be long term. With the continued border restrictions, capacity will be limited or held back. There are risks with labour and material unknowns leaving builders, contemplating not taking new work, with some even leaving the industry for good.

Tradespeople have become some of the most sought after workers in Australia, accounting for 35% of the labour shortage. The building and construction industry prepared for the border to reopen expecting employees from overseas and interstate. By state, Western Australia is home to some of the highest number of businesses suffering from both a skilled and unskilled labour force shortage.

Nationally, over the next three years, demand for labour is anticipated to reach unprecedented levels. Labour shortages are expected to be three times greater than in 2017-18, peaking at a likely shortfall of 93,000 workers in early 2023 or 48% higher than the projected supply.

“Businesses in the building and construction industry are struggling to keep employees, with most of them finding it too difficult to work under the high pressure and timeframes. With a more skilled labour force, the industry will thrive and projects will be completed on time and thus the community will benefit.

“Borders reopening will be the key solution to the skills and unskilled labour shortage, bringing in a workforce from both overseas and interstate” says Master Builders Association of Western Australia Executive Director, John Gelavis.

“The building and construction industry has been instrumental in helping the WA economy during the pandemic. The State Government has invested heavily in building and construction to accelerate economic recovery from COVID-19. By refusing to reopen the border or communicating a reopening plan, they are undermining the positive economic impacts of their investments in building and construction activity.

“The State Government continues to stall the borders from opening and this is extremely disappointing. People’s livelihoods and businesses are at stake. The building and construction industry stands alongside numerous other industries that have been heavily impacted by these border closures.

“Furthermore, the State Government leaves countless questions unanswered regarding what will happen when the borders reopen, including, the definition of a close contact, the use of Rapid Antigen Testing (RAT), and isolation protocols. As it stands, WA is the only state to not have a seven-day isolation requirement for essential workers who contract COVID-19, leaving businesses in fear of having to close indefinitely and losing their entire workforce.

“MBA WA’s focus is on preserving the industry’s status as an essential industry under COVID-19 rules, we respect public health guidelines, however, the more the state delays reopening, the more the community loses faith in the government’s competence in handling the pandemic. The building and construction industry needs a fixed deadline for when the borders will be open”, says Mr Gelavis.

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