

Media Release

Master Builders WA calls for action to address skills crisis and end to vaccine mandate

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Master Builders Association of Western Australia is calling on the State Government to remove without delay the *Restrictions on Access Directions* (mandated vaccinations) for the building and construction Industry. MBA WA is also calling on the State Government to facilitate the entry of skilled overseas workers into Western Australia to address the significant skills shortage hammering the WA building and construction industry.

The state borders are now open, and WA has one of the highest vaccination rates in the country. Like other sectors, the building and construction industry complied with the Public Health Directions in getting vaccination rates to the highest possible levels, but it's now time to get on with business and we need our full workforce back.

The State and Commonwealth Government measures introduced in 2020, to build a strong pipeline of work has been important in supporting employment, the economy and has done its job, however through the loss of skilled trades from the mandatory vaccination laws, border restrictions and lack of overseas migration, we simply do not have the workforce to fulfil much of the ongoing demand. Understandably, people want their homes, their commercial project finished; but there simply isn't enough people in the industry to keep up with the demand of work out there, and industry is facing unprecedented challenges with material shortages and price escalations in addition to the labour crisis.

If this trend continues, with more price increases and labour shortages, there will be more contracts and more that are completed with no profit, which will impact all building companies and their capacity to stay profitable.

Along with suffering serious skill shortages, the industry has been hit by massive price escalations, material and supply shortages and global supply chain disruptions due to the COVID-19 pandemic, with builders waiting weeks and months for critical building materials, which is creating the perfect storm having the potential to cause a wave of insolvencies.

Builders have seen tradies leaving the industry as a direct result of the vaccination requirements, with some reporting over 10% loss of their workforce. These are highly valued subcontractors, who have decided that this requirement is not for them.

Tradies have investigated other areas to replace their income which meant vacating the industry, leaving building companies high and dry, which impacts severely in regional WA, where choice can be very limited.

Supply chains continue to be disastrous, which has been further intensified by flooding in Queensland and New South Wales being described as one of Australia's worst-ever natural disaster, which compounds a national industry already severely capacity constrained.

Price increases on materials outside the builders' control has created a situation with potentially dire consequences, especially for those under certain private or government contracts whereby the opportunity to pass on cost increases are limited.

"If changes are not made immediately, then it is very likely hundreds of builders in WA are at serious risk of irreversible losses. If this crisis does occur, it will leave tens of thousands of employees, suppliers and sub-contractors with significant losses, and builders seeing their businesses, including many that are family owned and operated no longer in existence.

"Builders are now facing even further cost increases, this time from the transport markets as the price of fuel skyrockets because of the Russia-Ukraine conflict.

"MBA WA is calling on the State Government to allow those able to work in the industry to return to work, on residential and commercial projects with minimal restrictions, as the whole intent of vaccination was to ensure critical sectors could remain operational throughout high case load and very high case load environments of COVID-19.

"Whilst we acknowledge the Premier's commitment to addressing the critical worker definition once WA reaches lower caseloads, we feel it is critical to tackle the skills shortage and the vaccine mandate.

"Homes under construction could remain incomplete if builders are unable to complete the contracted works, commercial projects stalled or worse will put the entire building industry at serious risk of collapse, so action is needed now" says Executive Director, John Gelavis.

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