

MASTER BUILDERS WA Year in Review 2021-22

#### **Published by**

## MASTER BUILDERS ASSOCIATION OF WESTERN AUSTRALIA

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#### ABN 83 590 972 922

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Designed and formatted by Optima Press, Perth

Printed by Optima Press, Perth



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Master Builders WA Board President and Executive Director report on the 2021-22 financial year.



This year has been about adapting to the new normal; adapting to unprecedented challenges in the building and construction industry and making meaning of the fallout of COVID-19. The industry in Western Australia has presented an immense amount of resilience and has continued to work hard throughout these disruptions.

As President of Master Builders WA, I have been astounded by the amount of resilience the industry has displayed. Whilst the industry has remained operational throughout the pandemic, and this is something to be proud of, we cannot forget the challenges that have been faced and we will continue to face.

During my tenure as President, one of the things I have been most fortunate for is advocating and working alongside our Executive Director, John Gelavis and our amazing team.

I am proud of the work that Master Builders WA continues to do in leading the way to address the industry challenges with government and key industry stakeholders. Our advocacy work over the year has led to government adopting MBA recommendations with several government departments implementing changes to existing and new contracts to assist builders to deliver their obligations in these difficult market conditions. This is a significant step forward and has provided relief for our members who had been locked into State Government contracts with no opportunity for cost or time relief. Whilst these advocacy successes are significant, there is still more work needed to support builders who have been a driving force in the state economy and to pave the way for a more certain future.

More than ever, we are reminded of the strengths of relationships and the importance of working together with our clients, trades and suppliers to deliver good outcomes. What we do is fundamental to the economy, the state and our country, and we must find ways to navigate the current challenges so we can build a better tomorrow. As our industry works through high volumes of projects with a shortage of materials and tradesman right now, we are faced with a new challenge where sales values and rental rates try keep pace with the rising construction costs. It remains quite probable that industry will soon enough meet a crossroad where availability of materials and trades improves, but construction prices make things unfeasible while cost balance sales and rental rates; and that lag period will undoubtedly be another challenge for many businesses.

I would like to welcome new members who have joined the Master Builders WA Board; Rocky Slater, Chair of Construction Council and State Manager of Badge Construction, Sam Karamfiles Housing Council Member, and Bala Suppiah, Director at Training Alliance Group

I would also like to thank our members who have volunteered their time to sit on our councils, committees, boards, working groups and as judges for our wonderful awards program.

I have thoroughly enjoyed my time as Master Builders WA President in 2022 and look forward to supporting Master Builders WA further in 2023. I encourage our members to reach out for a chat if you like.



Michael Van Dongen, President



This financial year has been one of the most challenging in the association's history, where we have focused heavily on supporting our members get through the pandemic and provide the latest up to date information regarding State Government directions and advice. Additionally, we assisted our members by providing regular member advice through our professional services team, including legal, industrial relations, workplace relations, technical, planning, building, insurance, local government, industry training and more. Master Builders also represented the industry in numerous stakeholder committees as well as our dedicated ministerial meetings program.

We have been forthright in our advocacy in support of the Western Australian building and construction industry getting through this difficult period, which saw massive cost increases, material delays from global supply chain disruptions and major workforce availability issues.

Our advocacy was focused on securing government support, publicly educating clients on these issues, which have not been caused by the industry. In our media statements, media appearances and regular print articles, we have called for patience, understanding and kindness when dealing with our members.

To support our members, we developed an industry letter, which outlined information published by the Australian Bureau of Statistics with price increases of critical building materials. The letter was developed to help in communicating the issues and assisting with conversations around price escalation recovery with clients.

Master Builders held a crisis meeting with the Premier to discuss the critical issues impacting our building and construction industry. At the meeting, Master Builders discussed price escalations, trades and skill shortages, the cost and cashflow crunch and continuance of operating through pandemic conditions. This meeting provided Master Builders the platform to present government with a suite of recommendations for addressing these challenges, for both the immediate and long-term environment.

Following the advocacy campaign from Master Builders, I am pleased to confirm many of our recommendations were announced by the Premier in the 2022/23 State Budget in a nation leading stabilisation package to protect local home builders and homeowners, help stabilise the building and construction industry, and attract skilled workers to Western Australia.

The package included financial relief to assist head contractors with rising costs on Department of Finance and Communities projects, flexible approach to progress payments and cash flow support for WA builders, rise and fall provisions to be included in future government contracts, where appropriate to reduce risk for tendering builders, revision of timeframes on a range of government projects, creation of new Department of Communities prequalification panel and support for an additional progress payment on Keystart builds to provide cash flow support to Keystart builders.

The State Government has also committed to attracting skilled workers over the medium to longer terms, delivering WA's record breaking pipeline of building and construction work, request the Federal Government to include building and construction trades on the Priority Migration Skilled Occupation List, fund a targeted \$1.5 million overseas marketing campaign to attract building and construction workers from overseas, extending the timeframe for Building Bonus grant applicants. Master Builders requested an education campaign and in May 2022, Department of Mines, Industry Regulation and Safety released a guide acknowledging the challenges and important information for those currently building or renovating a home.

Master Builders hosted the launch of the Master Builders Australia Federal Election campaign, a paid advertising campaign was launch for the Federal Election. The campaign targeted key marginal seats in states and territories across the country. The campaign focused on economic recovery and an economic plan that will help more than 400,000 small builders and tradies that are right now suffering a severe cost and cashflow crunch. Additionally, calling for the retention of the Australian Building and Construction Commission (ABCC).

Master Builders took a leadership position on behalf of the building and construction industry in WA by conducting an "Open the Borders" campaign to advocate for the WA hard border to reopen and a clear transition plan from the State Government. This was seen on the front page of the West Australian Newspaper (WAN (27/1), WAN opinion piece, all major television channels, and other media platforms across the state.

Since 2021, Master Builders took a stand on the vaccine mandate, making a point to allow people to have their own choice. In June, the State Government removed the Restrictions on Access Directions (mandated vaccinations) for the building and construction industry. Effective from June 10, 2022, WA's mandatory vaccination policy was revised in line with health advice and was only applied to workers working with the most vulnerable. Removing the vaccine mandate assisted in bringing back a full workforce to the industry, including giving some relief and certainty for builders, tradespersons, subcontractors and the industry.

In 2021, Master Builders met with Minister for Forestry the Hon Dave Kelly MLA to discuss the current timber shortages and advocate for increase support for the building and construction industry, which led to a commitment to 12,000 tonne increase the sawlog allocation to Wespine. Master Builders has continued to discussions with Wespine Managing Director, Patrick Warrand regarding the drastic situation unfolding around pine supply. Master Builders will continue to have these discussions around these issues as it is critical to our members, industry and home building public.

Master Builders is a Registered Training Organisation (RTO) which enables us to deliver nationally recognised training courses such as the Diploma of Building and Construction and other industry specific courses. I am pleased to say Master Builders was one of the first RTO'S to release the new Diploma with increased units. This investment has led to our first graduate, and we are seeing more and more students come to Master Builders from other providers due to our face-to-face learning and experienced teachers. I am also pleased to report that we have seen an increase to our other heavily subsidised training courses as members invest in their staff's professional development. We also launched our new online contracts management system called eDocs. eDocs are completely digital with live updates, fast navigation, responsive features and autosaving to ensure you never lose your work, saving precious time and money. eDocs can be signed anywhere anytime through DocuSign®, with no printing, posting or in person meetings required.

Our awards and events programs were heavily affected by COVID-19 restrictions and attendance limits, however we did our best under the circumstances. Lower entries, ticket sales and sponsorship also had a major impact on our revenue streams.

Due to the impacts of a declining property leasing market and COVID-19 work restrictions, our reliance on Construction House income negatively influenced our overall income. To reduce cost, we undertook a restructure of management and other positions to ensure we operated at an optimum level and ensured the association was able to operate efficiently and effectively in 2022/2023.

In what has been a trying year, I would like to thank our dedicated staff, whose hard work, loyalty and commitment have enabled us to achieve our objectives and support members successfully this year.

Although it has been trying, it has been extremely rewarding that since 2020 we have been able to successfully navigate our industry through one of the most difficult in the nation's history. As we are starting to emerge, we will be working harder than ever to ensure our proud Master Builder members are supported and successful in 2023.

Next year, 2023, is an important year for the association, which marks its 125-year anniversary of supporting the WA building and construction industry and we look forward to celebrating this milestone with our amazing members.

In closing, I would like to sincerely thank our President Michael Van Dongen, our wonderful volunteers such as committee members, council members, judges and board members who work extremely hard to support the industry and Master Builders.



John Gelavis, Executive Director



## ADVOCACY & POLICY

Master Builders WA operates under the direction of it's board, the councils and committees to provide governance and develop policy on industry issues.

# ADVOCACY



While challenges have preceded Master Builders members during 2022, we have been adamant on coming up with solutions for all those challenges. Our proactive and persistent approach to advocating on behalf of the building and construction industry has assisted in coming up with positive outcomes for our members and the industry.

As the global pandemic becomes a distant thought and a new way of the world, industry has continued to adapt and we have learnt to overcome the obstacles that were presented to us. While the stimulus packages for the industry helped the State Government achieve a budget surplus in 2021/22, the industry continues to provide the state economy with a healthy cashflow. The industry delivered a record \$33.9 billion infrastructure investment and assisted in the recovery of the state economy.

Industry is still dealing with overcoming the effects of COVID-19, including trades availability, skills and labour shortages, supply chain issues and disruptions, price escalations, financial hardship and the cost and cashflow crunch.

This year our advocacy and policy work has revolved around rebuilding the industry from the damages caused by COVID-19. We have lobbied the State and Federal Government on numerous issues that the industry has been facing. Master Builders WA lobbied for the State Government to reopen the state's borders in the beginning of 2022 to alleviate the pressures of skilled migration and project delays. With persistence and consistency in our messaging to the State Government the borders were open by 3 March.

We have had other advocacy wins, which include, the removal of the vaccine mandate, the implementation of our

recommendations during the 2022/23 State Budget, return of skilled migration, keeping the industry as an essential service, State Borders reopening, and more.

#### State Budget 2022/23 - Stability Package

Master Builders has been aggressively advocating for the State Government to implement initiatives to assist the \$29.3 billion building and construction industry through the current challenges by supporting it to complete existing projects and confidently tender on future critical infrastructure and social housing projects highlighted in the budget.

It was important for the State Government procurement model to acknowledge the pandemic driven conditions and allow for cost and time support for current and future building contracts for State Government projects.

Due to supply chain pressures the State Government stepped in and implemented recommendations to support industry in dealing with the current cost and cashflow crunch.

Master Builders welcomed the news of important government procurement measures including a \$30 million relief scheme to assist head contractors with rising costs on Department of Finance and Department of Communities projects with unforeseen supply chain challenges.

Future State Government procurement measures whereby rise and fall clauses are to be now introduced on all State Government projects, where appropriate, allows builders to tender more confidently knowing that costs can be passed on under the contract.

## Building and construction needs WA's borders to reopen

#### JOHN GELAVIS

here was a time when people would leave their homes without fear of becoming sick. There was also a time when people opted to buy a built home instead of build their own. Those times have changed. The COVID-19 pandemic has changed individuals and industries in ways we cannot forget.

Last week, the Master Builders Association of WA met the Minister for Commerce, along with key members of our organisation, the Department of Health and the Department of Building and Energy.

MBA WA strongly opposes the State Government's decision to delay the border reopening. We requested this meeting to gain clarity on a safe transition plan when borders do reopen. In the last two years, the building and construction industry has faced dire challenges during the pandemic.

These challenges range from trade availability, skills and labour shortages, supply chain issues and disruptions, price escalations and financial hardship.

The industry was let down and disappointed when the Government reneged on their promise to reopen on February 5, with prominent issues only becoming worse. The building and

The building and construction industry prepared on numerous fronts for the borders to reopen on the promised date.

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 WA are operating in the construction arena.

These are mum-and-dad businesses that are struggling to keep afloat, have their life's finances invested in their business, have followed all the rules and health guidelines the State Government has set out and yet are not being given reprieve.

These businesses fear the uncertainty revolving around the State at the moment and are too small to handle any losses.

During preparation, builders booked new projects and had banked on relief in sight for current projects, expecting to have a skilled and unskilled labour force enter WA, to support our current workforce and apprenticeship training.

On Friday, the Government provided some answers regarding what will happen when the borders do reopen, including the definition of a close contact, the use of Rapid Antigen Testing and isolation protocols.

At a press conference on January 28, the Premier and Health Minister made sure to be careful with their language, releasing protocols for when "WA faces a higher case load environment", but what does this mean? What does a higher case load constitute?

The virus is currently in our community, and for all we know, cases may be higher than reported. As a report in The West Australian showed, COVID-19 testing in WA remains the lowest in the nation per capita, meaning the transmission of Omicron may be going undetected behind the State's hard border. This is not a fearmongering campaign, this is not "us versus them" in terms of the building and construction industry and government.

It is industries and State coming together to help WA's economy thrive, create a safe transition plan to our pathway to living and working with COVID-19 and rejoin the rest of the nation in the safest way possible.

This may be the same song that every industry is singing at the moment, and those who are afraid of the implications the virus may bring will disarree.

However, there will come a time when we must rejoin the nation once again. That time is now.

John Gelavis is executive director Master Builders WA

Part of our recommendations included the investment in a skilled workforce for the future including commitments to work with the incoming Federal Government on the migration of skilled building trades into WA, as well as the investment of \$1.5 million on an overseas marketing campaign to attract construction workers from overseas to assist our local trades and apprentices.

Initiatives around housing and homelessness with the investment in social housing and changes to Keystart allowing for an additional progress payment, permanently increasing income eligibility limits and new pilot product called "Urban Connect" for medium and high-density limits, which continue to support first home buyers access the market were welcomed and required.

We were pleased further support was provided to homeowners impacted by unprecedented delays highlighted by the government with an extension of timeframes for building bonus applications to commence construction from 18 months to 30 months from contract signing with foundations to be laid by April 30, 2024.

Tax reforms and incentives to boost housing are welcome such as land tax incentives, off the plan transfer duty rebate and build to rent concessions designed to boost housing supply are welcome.

Master Builders recommendations submission to the State Government focused on key areas in the building and construction industry including:

- Provision for cost escalation relief
- Future procurement approach
- State Government to engage with lending and financial institution on progress claims
- Regulatory reform
- · Liquidated damages relief

- Administrating head contract claims appropriately
- Progress claim-certification periods
- Provision for payment for unfixed materials
- Government contract formats
- Skills shortage and overseas migration
- Consumer education
- · Addressing the supply chain shortages
- Taxation concessions
- · Local Government/permit authorities support with fees

More work is needed to support residential builders who have been a driving force in the state economy and nonresidential builders working on State Government projects. State Government procurement must shift to create a more viable and sustainable construction industry for all. Some recommendations have not been adopted for government projects, such as a moratorium on liquidated damages, shortened payment timeframes and off-site payments so we will continue to engage with the government on behalf of our members and the industry.

## Department of Mines, Industry Regulation and Safety Education Campaign

Amid challenges the industry is currently facing, Master Builders urged government to invest in and undertake an education campaign. This education campaign was a key advocacy request to support the industry to better communicate with their clients regarding the challenging time the industry is currently facing.

In May 2022, Department of Mines, Industry Regulation and Safety released a seven-page guide titled 'Building a Home in Challenging Times', acknowledging the challenges and important information for those currently building or renovating a home. Master Builders has continued to engage heavily with government on the challenges, putting forward solutions and recommendations to help our members and industry operate through this difficult environment.

#### Definition of a Critical Worker

Since January 2022, our message to the government has been clear, the building and construction industry is recognised as an essential industry under COVID-19 rules and should be included in the proposed definition of an essential workforce. With the industry under outlying pressures from COVID-19, not being an essential service would have exacerbated an already major problem if was omitted from the new definition of close contacts.

Over the months of January and February the definition of a critical worker was not clearly defined, however Master Builders continued to lobby to get the clear definition of a critical worker in WA. Once the government announced a critical worker in WA to be someone whose role cannot be undertaken at home, Master Builders continued to advocate to ensure the entirety of the building and construction industry is considered an essential service.

Master Builders successfully achieved essential worker status for the industry and got the isolation of a critical worker exempt to align with the vaccine mandate.

#### State Borders Reopening

On 20 January 2022, the State Government reneged on their promise to reopen the borders on 5 February. Master Builders WA began a campaign to strongly oppose the State Government's decision to delay the border reopening. The building and construction industry prepared on numerous fronts for the borders to reopen by 5 February, and like many other industries, were disappointed with the decision to delay the reopening of the borders.

While the industry is made up of about 98 per cent of small businesses, around 40,000 of the 220,000 small businesses in WA are operating in the construction arena and required the border to reopen as to continue with booked projects and have a skilled labour force re-enter WA.

After almost two years, the State Government opened WA's borders on 3 March 2022.

#### Removal of the vaccine mandate

In March 2022, Master Builders WA called on the State Government to remove without delay the *Restrictions on Access Directions* (mandated vaccinations) for the building and construction industry.

Master Builders continuously engaged with government on the need to address the impacts of the *Restrictions on Access Directions* on our industry's workforce. Our discussion with government was focused on measures effective to get our workforce fully operational as quickly as possible. A key part of this messaging stressed to lift the mandates for the building and construction industry, so all suitably skilled and qualified persons can work on building and construction projects unimpeded irrespective of their vaccination status.

On 1 June 2022, the State Government released new public health and social measure regarding the vaccine mandate, effective 10 June 2022, WA's mandatory vaccination policy was revised in line with the health advice and remained only applicable to those working with the most vulnerable.

#### Skilled Migrants and Labour Shortage

Master Builders has been advocating for the skills crisis to be addressed. Vaccine requirements caused industry personnel to leave the industry, border closures impeded on the requirement to bring skilled migration into WA. Master Builders called 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. The vaccine mandate was removed on 10 June 2022.

The Federal Government is delivering \$850 million for 465,000 TAFE places and for TAFE infrastructure. This will provide opportunities for school leavers; workers wanting to retrain or upskill and unpaid carers to get into the workforce. The Federal Government is also creating an extra 45,000 TAFE places for industries suffering acute shortages, and a \$50 million TAFE Technology Fund.

More than 100 jobs will be added to WA's priority occupation list as part of bid to try and entice foreign workers to fill a raft of gaping holes in the state. The State Government has invested in a skilled workforce for the future including commitments to work with the Federal Government on the migration of skilled building trades into WA, as well as the investment on an overseas marketing campaign to attract construction workers from overseas to assist our local trades and apprentices.

While the Federal Government sets the minimum visa requirements for overseas workers using a points-based system, each State is able to apply additional criteria.

WA will bin its current \$200 application fee and halve the requirement for 12-month employment contract for workers coming to Perth.

#### Australia's Timber Crisis

Master Builders met with the Minister for Forestry, the Hon Dave Kelly MLA in 2021, to discuss the current timber shortages and advocate for increase support for the building and construction industry, which led to a commitment of a 12,000 tonne increase the sawlog allocation to Wespine.

In March 2022, Master Builders was in discussions with Wespine Managing Director Patrick Warrand regarding the drastic situation unfolding around pine supply. Patrick Warrand outlined the Summer's hot weather had a significant impact on timber supply resulting in harvest bans, logistics disruptions that effecting imports and impacts from the labour shortage. December, January, and February were tough months for the supply of timber into WA. Master Builders continues to focus on these issues as we know it is critical to our members and the home building public.

#### Security of Payments

Security of payment starts at the top of the chain; fair and consistent contracts are required. Risk must remain with all parties best placed and responsible, not passed along. Master Builders does not support project bank accounts because they increase administration costs and only protect the first tier in the sub-contractor chain. Master Builders has reached out to the department, and they are going to liaise with small working groups.

In August 2022, the State Government delivered on its election commitment to strengthen payment protections for subcontractors in Western Australia's building and construction sector. The Building and Construction Industry (Security of Payment) Act 2021 took effect 1 August 2022, making the first stage of landmark reforms to ensure subcontractors and suppliers receive timely payments for their work.

The new Act applies to construction contracts entered from 1 August. The Construction Contracts (Former Provisions) Act 2004 will continue to apply to existing contracts.

Master Builders held an information seminar in partnership with Tom Jacobs from law firm, Jackson McDonald to provide insight into the new Security of Payments laws. This event was held on 28 July 2022.

#### Home Indemnity Insurance

Home Indemnity Insurance has remained a very highlevel priority for the association. Our advocacy works have been constant, through feedback and commentary by our members; and through our committees and councils to have the necessary changes made for a far better, more sustainable scheme.

Our advocacy engagement has included workshops, entering correspondence with Ministers and Departments in putting forward recommendations to address the concerns held by our members, getting government to see the need to act with a sense of urgency to fix a system and scheme long needing overhauling.

Our recommendations have included reforms to indemnity cover rates, having an insurance scheme which entitles builders to a level of warranty coverage with price set accordingly and specifically to risk, annual turnover, and current performance. Other key measures included adjusting the maximum insurance payout figure and looking at reducing the "tail" of the scheme from the current six years to a more suitable timeframe.

#### **Building Disputes and Complaints Resolution**

Master Builders has continuously engaged with Building and Energy on seeking important reforms to the building and disputes resolution process. We have continued efforts to get the right amendments to the Building Service (Complaint Resolution and Administration) Act 2011.

A key focus remains on seeking to have a process that affords registered practitioners and contractors a much better system of fair procedure.

#### **Planning Reform**

Master Builders continued its advocacy efforts throughout the year with planning reform recommendations.

With the State Government committed to its Action Plan, we continued pressing for reforms with both strategic and statutory planning frameworks to address the longheld concerns of members including unnecessary delays with Development Applications and all the unintended consequences.

We have continued on the path for red tape reduction which has included working with the Local Government sector, defining timeframes and establish a consistent, standard approach for crossovers as just one example.

We continue to advocate in reducing red tape in the assessment and decision-making for region schemes, structure plans and amendments.

Master Builders has for many years advocated for the registration of town planners and the fast tracking of Development Applications for residential applications.

This year, through our sustained advocacy efforts we undertook a landmark joint venture with the largest metropolitan council in developing a fast-track process.

A new fast-track (Development Applications) service was created in conjunction with the City of Stirling which provides determination for residential Development Applications with single houses and up to two grouped dwellings within 28 days from pre-lodgment submission for applications not requiring external referral and 50 days from pre-lodgment submission for applications which require external referral (such as Main Roads).

This commitment provides applicants with a 32 day or 40day time saving from current statutory timeframes required under the Planning and Development (Local Planning Schemes) Regulations 2015.

This was a very significant step forward in continuing to address the constant and ongoing frustrations with timeframes for planning and development applications.

#### Accessibility Standards

Back in April 2021, Commonwealth, State and Territory Building Ministers met to discuss and consider the next steps (at that stage) in respect of minimum accessibility provisions in the National Construction Code (NCC) for residential housing, but also apartments.

It was proposed by government to have placed into the Building Code provisions which reflected the Livable Housing Design Guidelines (LHDG) 'silver standards'.

The Ministers at that meeting considered the findings of the Regulatory Impact Statement (RIS) that was released for public consultation. The base line for Master Builders was to have it optional and not mandatory.

Politically, it was not feasible to keep the status quo, but Master Builders did prosecute a very strong case to have it optional in the Code and not mandatory.

Importantly, the Building Ministers (majority of) took on board the findings and feedback from industry on the proposal, particularly that the cost benefits analysis showed it did not stack up and operating in the COVID-19 economic climate was very challenging.

The result from the April 2021 meeting was Ministers agreed to be free to determine whether and how the provisions would be implemented in their own jurisdictions. We (MBAWA) had a (then) commitment by our Building Minister it was to be optional.

Fast forward to 2022 and the Building Ministers met again in August to discuss changes to the National Construction Code with accessibility Standards firmly on the agenda.

With the change in the Federal Government, it was apparent that several Building Ministers who previously held positions leaning to non-mandatory had likely changed their stance and the pressure was mounting for the provisions to be mandatory.

We continued to make it clear to the regulator our association has certain concerns with these provisions in the WA context. Our discussions with government highlighted it was the associations view having a non-mandatory approach with options in the National Construction Code is likely the best way to achieve the desired outcomes of this regulatory proposal.

We stated the single best key for success is having a true shared commitment by all stakeholders seeking the integration of accessible housing into mainstream living. While we support the ideal for all homes to be inclusive and accessible, there is an immediate financial cost which limits the ability to provide this.

We brought to the regulators attention that there were impacts with other compliance requirements in the Code and potential issues with other statutory requirements including local planning requirements as just one example.

Our advocacy efforts saw the State Government make the decision to not implement for WA the accessible housing provisions in the National Construction Code.

This was a very significant advocacy effort and win for members, with Master Builders having the government understand the industry stresses and importantly the right outcomes could still be achieved through a non-mandatory approach.

#### **Energy Efficiency**

Master Builders has continued to advocate on behalf of members for a considered approach by both State and Federal Governments, through numerous submissions, cost benefit analysis studies and ongoing engagement with regulators on the energy efficiency provisions within the National Construction Code.

At the August Building Ministers Meeting, Building Ministers agreed to lift the energy standards of new homes through the National Construction Code.

As of NCC 2022, new homes and apartments will need to achieve the equivalent of "7 stars" NatHERS thermal performance.

NCC 2022 will commence on 1 May 2023, with a transition period to 1 October 2023 for energy efficiency and condensation mitigation.

We continued to lobby our State Government for a further specific transition period for industry to provide the opportunity to adapt to the new requirements, being fully cognisant of the current challenges and stresses placed on our members and the sector.

#### **Building Industry Reform Proposal**

Master Builders, in consultation with its members and spearheaded through Construction Council has prepared the Building Industry Reform Package 2022 which seeks to promote initiatives to establish a more sustainable building and construction industry for all within Western Australia.

This landmark document outlines provisions for contract format rationalisation delivering fair provisions for all parties, as applicable to all contracting models and incentives to address industry jobs and skills within Western Australia as core reforms critically needed for the industry to move forward confidently.

The Building Industry Reform Package 2022 seeks procurement reform through exploring procurement models applied in Western Australia.

With the volatile nature of global supply chains, the current financial challenges of unpredictable price escalation, availability of construction materials, and skilled labour limitations, coupled with onerous contractual requirements, it has seen rise for the pendulum of risk move away from a fair and balanced arrangement.

The Building Industry Reform Package 2022 through its recommendations seeks to address these critical areas, it is a document that through industry led reforms endeavors for best practice to be enabled and the norm.

# ADVOCACY



#### National Construction Code

The National Construction Code (NCC) is the nation's defining operational document of building regulatory provisions, standards, and performance levels. It is a performance-based code, and sets the minimum required level for the safety, health, amenity, accessibility, and sustainability of certain buildings.

Master Builders will continue to highlight the importance of the code.

Our advocacy work has been continuous throughout the year and indeed rolling from previous years of sustained efforts in engaging with the Office of the Australian Building Codes Board (ABCB) in particular.

Master Builders has representation on the Building Codes Committee, which is a national forum for regulatory authorities and industry, to consider technical building regulation reform matters. It plays an important a role in assisting the Board, through the Office with technical decision making.

Pleasingly, after many years of engagement between Master Builders Australia and the Office of the Building Codes Board we are starting to see some significant changes in operational practices of the Office of the ABCB. An example of this was in the request for industry feedback on the ABCB's Project Management Plans. Normally the first thing industry would see is the 'output' from these projects. Being consulted on the Project Management Plans is a positive step forward. This step has come about from longterm engagement by Master Builders. Such changes have been welcomed and will continue to assist in getting better technical outcomes with proposed NCC changes.

Master Builders also provided ongoing commentary and recommendations to the ABCB on the proposed changes with the Building Codes.

#### Free Access to Australian Standards

Master Builders continued advocating at both a state and federal level for having our members and industry having access to the necessary standards for their duties and obligations made free of charge and readily accessible.

Master Builders has long advocated as a priority for the Australian Standards suite that are referenced in the National Construction Code, and others used by industry, to be free and easily accessible for all.

This year saw a national e-petition to the Australian Parliament undertaken for free or affordable access to Australian Standards.

We will continue to press and call for the Australian Standards to be free or at a minimum be available for the cost of production.

#### **Industrial Relations**

Workers Compensation & Injury Management Bill 2021 In October 2021 Master Builders made a submission to the government workers compensation Bill.

A keystone of the Bill is to enhance return to work and injury management, including Case Management conferences to enable workers and employers to resolve return to work timetables and duties. This is a positive step towards managing ill and injured workers.

We also agree with the new definition of 'worker', which will be the same as the Australian Taxation Office multi choice test for determining employees for the purpose of superannuation and PAYG tax. The existing common law test of who is a worker for the purposes of workers compensation, is uncertain and difficult.

Master Builders strongly opposed the plan to increase compensation payments, which will extend the period over which average weekly earnings are paid from 13 to 26 weeks, before reducing to 85% of average weekly income for the remainder of the period of workers compensation. The construction industry will be most impacted by the higher premiums.

#### Work Health and Safety Act 2020 (WHS ACT)

The second and final amendments to the Work Health and Safety Act 2020 and regulations came into effect on 31 March 2022. The new laws expressly require senior decision makers in a business or undertaking to exercise due diligence to ensure compliance with the new laws.

Master Builders has been approved to deliver Health and Safety Representative (HSR) training in WA by the Commission for Occupational Safety and Health.

#### Campaign to protect the industry amid dismantlement of ABCC

The new Federal Government has acted quickly to alter the industrial relations landscape for the building and construction industry. The 2016 federal Procurement Code has been repealed and the Australia Building Construction Commission (ABCC) is soon to be closed.

The loss of the Code and the ABCC is a massive setback to the commercial construction sector, which is already experiencing a resurgence of union militancy. Master Builders has called on the Premier and relevant Ministers to step up enforcement of Western Australia's 'union right of entry' laws by the police and WorkSafe. The state is responsible for issuing state entry permits and must not stand by when those permits are misused by the union for industrial purposes.

Our campaign to protect the industry amid the dismantlement of the ABCC is ongoing, along with individual members who are expressing their concerns in letters to the Premier, local MLA and Federal MPs, calling for action.

#### Award Increases and Wage Circulars

The Fair Work Commission increased modern award wages from 1 July 2022 by 4.6 per cent for award weekly wages currently above \$869.60, and by \$40 per week for award weekly wages currently less than \$869.60. The Western Australian Commission increased state award wages by similar amounts. As in previous years, Master Builders published and distributed new award wage circulars to members. Our website now includes handy wage summaries for the modern building, joinery and clerical awards, and the building award state.

#### Conclusion

In closing, it has again been another year for the records.

There have been many challenges, with more ahead in the coming months and into 2023.

But one thing is certain. The resilience of our sector is second to none. This has been demonstrated time and time again. I would like to close off by saying thank you.

Thank you, to each and every one of you. Your daily feedback, comments, experiences have assisted us beyond measure in being successful in so many advocacy wins and those that are still underway and in the pipeline.

It is this, your engagement with your association that truly makes all the difference. Every single one of you, our members, has helped.

It is our privilege to work for and with you on all the issues both state and federally that matter to you.



Jason Robertson, Director Housing and Construction



Martin Belfield, Industrial & Employee Relations Manager

## **THE BOARD**



**Michael** Van Dongen President



David **Crothers** Immediate Past President, Construction Council



**Robert** Shaw National Board Member



Dan **Perkins** Board Member



**Steve McConkey** Construction Council



Grant

**Burgess** 

Treasurer



Isla **McRobbie** Board Member



Paula West **Deputy Chair** Housing Council



Ray Kershaw Chair Housing Council



Shaun **Hughes** Deputy Chair Construction Council



Rocky Slater Chair Construction Council



Sam **Karamfiles** Housing Council



Bala Suppiah Board Member



# COUNCILS

The association's construction and housing councils are responsible for formulating policies and recommendations on industry issues. Each council has a minimum of 12 elected councillors, elected by, and from, the builder membership. Councillors serve two-year terms with half retiring (or standing for re-election) annually. Councils also may co-opt members. The councils generally meet monthly.

#### **CONSTRUCTION COUNCIL**

Chairperson: Rocky Slater

Deputy Chairperson: Shaun Hughes

**Members:** Michael Van Dongen, David Crothers, Steve McConkey, John Ripp, John Buckingham, Anthony Chillino, Sean Gavin, Prav Mepani, Mark Parish, Dave Prosser, Jay Brenton, Lisa Mitchell, Tom Jacobs, Wilson Hui, Matthew Carr, Troy King

#### **HOUSING COUNCIL**

Chairperson: Ray Kershaw

Deputy Chairperson: Paula West

**Members:** Sam Karamfiles, Michael Vermey, Basil Arasi, Ryan Dixon, Cliff Kearns, Jay Mangano, Glenn Smith, Paul Spadanuda, Anthony Lumbaca, Philip Kemp, Jane Arnolda, Garth Unger, Jay Walter, Michael Condelli, Simon Cherry, Matthew Lang, Nurul Shaheed, Michael Agostino

# COMMITTEES

Master Builders committees enable the association to obtain data from across the state on issues affecting the industry and develop a state-wide position. The committees also enable Master Builders to address regional issues at a local level.

#### **GREAT SOUTHERN COMMITTEE**

Chairperson: Brett Joynes

Deputy Chairperson: Brad Eastough

**Members:** Brian Hoskins, Bill Terjesen, Ascan Volkerts, Ken Smith, Matthew Lilly, Michael Sullivan, Daniel Leeflang, Vernon Pascoe, Kenny McGonell

#### SOUTH WEST COMMITTEE

Chairperson: Sam Karamfiles

Deputy Chairperson: Justin Trewren

**Members:** Rick Ruhen, John Buckingham, Charles Grist, Jason Brittain, Shaun Palfrey, Robert Maratea, Robert Kusal, Richard Bell, Shane Stirling, Dave Prosser

#### **MID - NORTH WEST COMMITTEE**

Chairperson: Andrew Crothers

Deputy Chairperson: Peter Willoughby

**Members:** Leon Bone, Janette Brennan, Ross Conti, David Crothers, Clint Poynton, Lily Robson, Kyle Wilkinson

#### **GOLDFIELDS - ESPERANCE COMMITTEE**

Chairperson: Vacant

Deputy Chairperson: Vacant

Members: Marcus Boers, Gavan Dixon, Colleen Horton, Ken Norton, Nigel Byrd, Tim Green, Mitchell Frager

# **MEMBERSHIP**

Membership of Master Builders WA is open to all companies, partnerships and businesses engaged in the building and construction industry.

# MEMBERSHIP



The year of 2021 saw the launch of Master Builders WA new and exciting online contracts system **eDocs**. A product created with DocuSign, eDocs assists builders and clients to manage their contracts process more efficiently and seamlessly. This MBA WA initiative created excitement and curiosity amongst our members, while attracting new members to the association.

In December Master Builders WA members came together to celebrate our industry at the End of Year Sundowner. Held in the city's iconic space, WA Museum Boola Bardip, the event attracted over 200 members

Ray Kershaw from Mondo Exclusive Homes was awarded the title of Master Builders Member of the Year, for his service and tireless dedication. Ray has been heavily involved with the association over his years as a member, from judging the awards to chairing the Housing Council. Ray is a true advocate of Master Builders, now committing his time as a Board Member. The Regional Member of the Year title went to Sam Karamfiles from Karamfiles Builders.

South West based builder, Sam brings his passion and extensive knowledge of the industry to the association. Sam demonstrates his commitment to Master Builders and the members through his long-standing involvement as a judge, strong voice in the regional areas and as a Master Builders Board Member.

Over 200 members were recognised for milestone anniversaries on the night with Torrance Constructions Pty Ltd awarded their membership milestone for 55 years and Fairweather & Son Pty Ltd celebrating an incredible 110 years as a member. Past MBA WA Executive Director Michael McLean, proudly accepted his Honorary Member award for this long standing contribution to Master Builders WA.





## **5 YEARS**

32 Degrees and Beyond Building Pty Ltd 3D Stone Pty Ltd Adrian Zorzi All Round Construction Services Pty Ltd Allstyle Concrete Pty Ltd AMG Home Builders Anthony Michael Designs Askin Performance Panels Association of Wall and Ceiling Industries Western Australia AZ Form Pty Ltd **Baileys** Living Balance Commercial Fit Outs Pty Ltd Banksia Building Group Bella Build & Design Benam Contracts Pty Ltd **BGC Group Billingham Construction BR** Construct Cambridge Homes WA Pty Ltd Coast Homes Collier Homes Commodore Homes Construct360 Pty Ltd Cumbrae Construction Ptv Ltd Darling Quality Builds Pty Ltd Deluxe Constructions (WA) Pty Ltd Energy Advance Go 2 Group Pty Ltd Griffon Alpha Group Hill Top Group Pty Ltd Holst Design + Build Holtro Group Pty Ltd HomeStart Iannello Construction Pty Ltd

Innerspace Design & Build Pty Ltd Integrated Construction Pty Ltd KHG Contracting Pty Ltd Lombarde Builders Pty Ltd Major Loss Builders Mandurah Homes MarkB Building Modular WA Momentum Legal My Shower Now Living Ocean To The Outback Construction and Maintenance Open Space Developments Pty Ltd **Opulence Interior Designers** Perth Renovation Projex Peter Andrews Phase3 Landscape Construction Ptv Ltd Piedra Pty Ltd Professional Built Group Pty Ltd

**Qscope Homes RBM Construction Pty Ltd** Red Lily Renovations Pty Ltd Refined Edge **Rightway Developments** Rocorp Constructions Pty Ltd Rossbrook Construction RSA Salt Residential WA Pty Ltd Shape Projects Pty Ltd Simpson Building Snell Building Services Pty Ltd Spring Tide Construction Staralum Tardan Pty Ltd **Tayson Homes** Trendsetter Homes Tyrone Group United Design Project Management Vernon Homes Wedge Tail Construction



## **10 YEARS**

Ideal Homes Pty Ltd Arklen Developments Aussie Living Homes BE Projects (WA) Pty Ltd Building Equity Pty Ltd Carter Roofing & Slating Pty Ltd Ceiling Force Pty Ltd Christopher Mason ClickHome Credentia Construction Pty Ltd **Diploma Plumbing Services** Fremantle Builders & Contractors Hermes Equity Pty Ltd Homezone Building Pty Ltd Icon SI (Aust) Jim's Test & Tag Bunbury JWH Group Lendlease Building Pty Ltd LKS Constructions (WA) Pty Ltd Mal Dempsev MEGT (Australia) Ltd Nexus Home Improvements **Nu-Style Industries** Oswald Homes (1972) Pty Ltd Parada Pty Ltd Persona Homes PK Construction Polyseal Waterproofing WA Pty Ltd Positiva Building Pty Ltd PRC Building Services Pty Ltd **Prestige Elevators** Rondo Building Services Pty Ltd Safeway Building & Renovations Pty Ltd Smart Homes for Living Stepnell Carpentry Thomas Building Pty Ltd

## **15 YEARS**

Adrina Project Management Pty Ltd Australian Capital Equity Blueprint Homes (WA) Pty Ltd Bower Roof Plumbing Build Pilbara Contour Builders Cooktown Constructions Cottesloe Constructions Delta Pty Ltd Devrite Constructions Pty Ltd **Imperial Glass** 

IT Constructions (WA) Pty Ltd Jumeirah Luxury Homes Redink Homes Pty Ltd Rent A Fence Right Homes Sureline Scaffolding & Rigging Pty Ltd Trimstyle Building Services Wenham Constructions Wolfe Homes Pty Ltd

## 20 YEARS

Adams Bros Advance Formwork Amerex Pty Ltd Arbor Centre Pty Ltd B & E Fire Protection & Air Conditioning Services Coastview Australia Coordinated Fitouts & Renovations Diamond Commercial Clean Formstruct Glenway Homes Imperial Homes Pty Ltd Seacon Construction Serneke Skill Hire WA Pty Ltd The Apprentice & Traineeship Company Tim Davies Landscaping Pty Ltd Urban Landscaping



## **30 YEARS**

Addstyle Master Builders Arasi Constructions Pty Ltd Homebuyers Centre Walsh's Glass Zorzi Builders



## **35 YEARS**

Wroxton Pty Ltd

## **40 YEARS**

Laminex Australia Multiplex Constructions Pty Ltd Pirone Builders

## **25 YEARS**

C & L Ceilings IGM Constructions Pave-Mix WA Marble & Granite Pty Ltd



**55 YEARS** 

**Torrance Constructions Pty Ltd** 

**110 YEARS** Fairweather & Son Pty Ltd

# **WHS & TRAINING**

Support and services for the building industry.



#### Year in Review

#### Training and Workforce Development

Training in the past year has come with its list of challenges, but also, with its list of opportunities. With multiple short and long lockdowns, the labour and skills shortages throughout Western Australia and nationally are vast. There has also been the implementation of new Work Health and Safety Regulations (2022).

Master Builders Training organisation has focused on helping the building and construction industry keep up to date with all the changes imposed on them in 2021/22 and offered training solutions for every eventuality. We have partnered with multiple Registered Training Organisations (RTOs) to help provide training solutions regardless of your postcode. If you are looking for a white card, upskilling for the new asbestos licensing requirements, or just wanted to complete a short one-hour course on the WHS regulation changes, Master Builders has the solution for you. With over 235 courses run, upskilling over 702 students, we aim to continue to make training available and affordable throughout Western Australia for all our members.

In addition to the short accredited and non-accredited courses, Master Builders also launched the new CPC50220 Diploma of Building and Construction (Building) qualification in September 2021 aligning with the roll out of the new training packages across the construction and plumbing services. Since its launch in September 2021, we have now delivered the qualification cycle three times, with 38 active students and our very first graduate under the new qualification. We continue to receive quality feedback regarding the preferred face to face delivery with our experienced trainers. We continue to assist our students currently enrolled in the (now superseded) CPC50210 Diploma of Building and Construction (Building) qualification as the teach out phase nears the end in 2022. In 2021/22 we are proud to have had 70 students graduate from the Diploma, and 14 have progressed on to gain their builders practitioners registration.

With the ongoing labour and skills shortages, Master Builders proudly partnered with Group Training Organisation (GTO), Skill Hire as our preferred Apprenticeship Program Partner. Skill Hire apprentices will be provided with a specialist membership to Master Builders, which will assist apprentices throughout their careers. This partnership will help us build a better building and construction industry, as it will increase the growth of apprenticeships in the industry, provide better support and education to apprentices and trainees, and help retain graduated apprentices within the industry. In addition to their GTO, Skill Hire have a range of services that will help support attract, train and retain quality workers within the building and construction industry.

## What are our takeaways from the 2021/22 Financial Year 21/22 that we will carry into 2022/23?

- We will continue to deliver a quality face to face delivery of the Diploma of Building and Construction as requested by industry;
- We will strive to ensure training is affordable and available through regional W A through partnering with quality training providers and utilising new technologies;
- We will look to develop new initiatives to support the workforce demands of the building and construction industry through various employment and apprenticeship programs.

# PARTNERSHIPS

DETINO

Working with partners, sponsors and supporters to build a better industry.

### ACKNOWLEDGING THE SUPPORT OF OUR 2022 PARTNERS

A warm thank you to Master Builders WA Partner Bankwest for 17 years of support to our industry. We recognise all our partners for their ongoing support and enrichment of our members through supporting our programming to help us build a better industry.





# **AWARDS**

Master Builders WA enjoys showcasing and rewarding members for demonstrating exceptional craftmanship, commitment to building excellence and upholding the highest professional standard.

# AWARDS



#### Awards for excellence

The annual awards were a great way for Master Builders Association of Western Australia to host the residential and commercial building sectors at the 2022 Master Builders-Bankwest Housing Excellence Awards and the 2022 Master Builders Bankwest Excellence in Construction Awards, after a tough two years of dealing with the ever-shifting pandemic restrictions.

The entries in this year's awards have surpassed anything expected. It has been a tough 12 months for the building and construction industry, so to see such high-quality homes and projects shows how resilient our industry is.

The awards showcase and reward members for demonstrating first-quality craftsmanship, commitment to building excellence and the highest professional standards.

Two major winners in the 2022 Master Builders-Bankwest Excellence in Construction Awards were Multiplex and BGC Construction. The expansion of the Karrinyup Shopping Centre by Multiplex Constructions won the 2022 Bankwest Best Project of the Year. The Karrinyup Shopping Centre Expansion involved the expansion of the existing Centre from approximately 59,600m<sup>2</sup> to 114,000m<sup>2</sup> GLA. The project comprised the refurbishment of the existing Centre, the upgrade to existing Major Tenancies, substantial carparking provision and road infrastructure. Throughout construction Multiplex successfully worked in a live environment, with an objective to minimise the disruption to shoppers as far as possible while ensuring safety remained our number one priority. BGC Construction won the 2022 Best Regional Project for their project, The Treendale Farm Hotel. This build was delivered in three stages with the bottle shop being available for tout and stocking four weeks prior to Practical Completion (PC) and the kitchen two weeks ahead of PC for training and stocking.

The balance of the works including landscaping all to be delivered by the date for PC. The finishes and fittings specified were of the highest quality and required experienced trades for the installation. Local subcontractors were all keen to be part of this project.

Spadaccini Homes took home the award for 2022 Bankwest Top WA Home award at the 2022 Master Builders-Bankwest Housing Excellence Awards for their North Beach masterpiece. The 42nd annual awards were a great way for Master Builders WA to host residential builders and recognise them for their excellent work.

The support and the building and construction industry's ability to operate as an "essential service" and work throughout the COVID-19 lockdown provided a great opportunity to deliver high quality workmanship for these awards.

The 2022 Master Builders-Bankwest Housing Excellence Awards were held on 18 June and 2022 Master Builders-Bankwest Excellence in Construction Awards were held on 16 July at Crown Perth.



## 2022 BANKWEST BEST PROJECT

Karrinyup Shopping Centre Multiplex Constructions





Photograph © Robert Frith, Acorn Photography

## 2022 BANKWEST BEST REGIONAL PROJECT

The Treendale Farm Hotel **BGC Construction** 









## 2022 BANKWEST TOP WA HOME

North Beach Spadaccini Homes





## LIFE MEMBERS & PRESIDENTS

### LIFE MEMBERS

### **PAST PRESIDENTS**

PAST AND PRESENT

**J**G Ripp **D N Perkins H F Mainwaring** W M Rivett C Baggetta D B Retallack J M Mitchell R A Doubkin H B Neil **R L Torrance R L Greaves** L F Bennett T Matyear A J Pepperell T J Wood **McK Mitchell J B Hawkins** L A Henderson **V** T Edwards A Doubkin **R J Davies K | Brine** 

2022 -	M A Van Dongen
2020 - 2021	D A Crothers
2019 - 2020	J M Kunkler
2016 - 2018	G R Spadaccini
2014 - 2015	J G Ripp
2011 - 2013	R B Shaw
2008 - 2010	G B Allingame
2006 - 2007	S D Peck
2003 - 2005	D N Perkins
2002 - 2002	K A Sale
2000 - 2001	J M Mitchell
1998 - 1999	R Sputore
1995 - 1997	W M Rivett
1994 - 1994	H P Marson
1992 - 1993	D B Retallack
1990 - 1991	L F Bennett

\*President's serving prior to 1990 not included

# STAFF

## **HEAD OFFICE STAFF**

Executive Director **Executive Business Manager** Director of Housing and Construction Industrial and Employee Relations Manager State Training and Workforce Development Manager **Communications Coordinator Events Manager Events** Coordinator Contracts Program Coordinator Partnerships and Membership Coordinator Membership Administration Officer Training Administration Officer Training Compliance Coordinator Training Administrator Training Administrator Assistant Accountant Senior Relationship Manager Senior Relationship Manager

John Gelavis Sharon Hoysted Jason Robertson Martin Belfield Michael Timpson **Reney Omar** Sharmen Wilson **Clare Walker** Marnie Vidovich **Rochelle McSwain** Patrice Onofaro Louise Caratti **Tania Sawyer** Shaya Mansouri Sherrie Blancio **Tanya Watson** Steve Ingram **Ben Pattison** 

### **REGIONAL STAFF**

Mid - North West Regional Manager South West Regional Manager Great Southern/Goldfields - Esperance Regional Manager

Paul Kerr Steve Pople Linda Gibbs

### MASTER BUILDERS INSURANCE BROKERS

WA State Manager Senior Account Executive Account Executive Account Executive Assistant Account Executive Neil Gray David Coomblas Liam D'Arcy Paul Shewchuk Bernie Mullins



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