

Media Release

Productivity Commission report reinforces Industry calls for reform

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The Productivity Commission has released today its report into Housing Construction Productivity.

Master Builders CEO Matthew Pollock said, “Construction has a productivity problem. We know this. And our message has remained constant, address the issues or we simply won’t build the houses needed”.

“The figures speak for themselves. Construction costs have increased by nearly 40 percent over the last 5 years along with residential build times increasing by up to 80 percent over the last 15 years.

“The report lays bare all the issues Master Builders and industry have spoken about for a very long time; the housing crisis is a result of barriers to supply. Productivity has been declining significantly in our sector for decades; unnecessary red tape has been a massive burden, and we simply don’t have enough people. The impacts have been compounding, including continued declines in industry investment.

“It’s a stark reality, and all political parties are on notice now. Until we respond to the supply issues that have been highlighted today by the Productivity Commission, the housing crisis will continue.

“A key finding of the Productivity Report is that planning regimes slow the delivery of new housing. Recent reforms by the WA government put us ahead of other states on this score, but it is still taking too long to build new homes.

“The National Construction Code full review call is warranted. Evidence has long show it’s been difficult to implement across the jurisdictions. WA has been somewhat fortunate, the regulator working with industry on the changes, but now we cannot have any further changes that negatively impact our sector and the consumer.

“The report also flagged a lack of innovation and a lack of scale in the workforce. These are key policy areas addressed in Master Builders Election Priorities.

“Support for industry to invest in innovations that build out and deepen supply chains will be crucial to boost new housing supply.

“Workforce capacity must also be addressed. More funding for TAFE is good, but we also need more funding for private VET providers and Group Training Schemes that improve outcomes for apprentices.

“Industrial Relations is not addressed which is disappointing given that we know recent legislative changes by the federal government have hurt productivity and further increased the cost of construction in WA.

“The Commission’s recommendations are valid and should be taken seriously by governments.

“Addressing productivity issues for the construction industry must be a key focus and priority for all levels of government. Bold action is needed, through a comprehensive and coordinated approach working with industry.” Mr Pollock said.

Who we are

Master Builders services the needs of the entire building and construction industry, from residential to commercial, and civil engineering businesses, principal contractors to subcontractors, manufacturers and suppliers. We assist members by providing access to a wide range of specialised services, an impressive degree of recognition, as well as representation to government and industry. Master Builders also serves the Western Australian public by fostering best practice work standards.

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