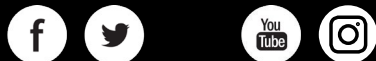


# **STRONG BUILDING** **STRONG ECONOMY**

**KEY BUILDING & CONSTRUCTION  
POLICY PRIORITIES FOR THE NEXT  
AUSTRALIAN GOVERNMENT**

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**MASTER BUILDERS**  
AUSTRALIA

## SUMMARY

### The building and construction industry is vital to Australia's success

Our industry builds roads, schools, homes and hospitals. We also build jobs, businesses, communities, skills and prosperity.

We directly employ over 1.1 million people – more than 1 in 10 workers – and are the second largest industry in Australia at 9% of GDP, performing work valued at over \$220 billion annually and injecting over \$150 billion into our economy. There are more small businesses in construction than any other sector, and we are responsible for 17% of total taxes raised by Governments.

While this is a strong record, there are threats that risk undermining our future contribution if not properly managed. Changing property and housing taxes, abolishing the Australian Building and Construction Commission (ABCC), increasing red-tape, uncertain economic conditions, lack of skilled labour and ineffective building regulations are just a few foreseeable threats.

This is why Master Builders Australia is asking all 2019 Federal Election candidates to promise their support for policies that maintain and grow the significant contribution building and construction makes each year to the Australian community and economy.

This booklet sets out our policies for the next Federal Government.

As a priority we want candidates to:

## SUPPORT

- 1 The retention of the Australian Building and Construction Commission (ABCC) and Registered Organisations Commission (ROC).
- 2 Reducing taxation and red-tape compliance burdens on small business, and boosting SME access to government work.
- 3 Supplying new housing to meet Australia's needs, with urban growth underpinned by a long term infrastructure plan.
- 4 Building and technical regulations that meet community expectations, don't drive up consumer costs, and are consistently enforced.
- 5 Industry driven skills and job solutions.

## OPPOSE

- 1 Abolishing the ABCC, ROC and under-pinning laws.
- 2 Giving union officials more rights than ordinary everyday workers.
- 3 Making changes to negative gearing rules or increases to capital gains tax.
- 4 Increased red-tape for small and family businesses.
- 5 Changes to technical building and energy regulations that increases overall cost to consumers.



1.1 million people - 1 in 10 workers - are directly employed in the building & construction industry.



Building & construction injects in the Australian economy.



There are 379,031 small firms in the Construction Sector.



Building & construction generates annually.

# BUILDING & CONSTRUCTION MATTERS TO EVERYONE

The building and Construction Industry plays an important role in the lives of every single Australian. Master Builders Australia is proud to represent the interests of more than 33,000 building and construction businesses across the country. Each and every single day the construction industry builds:

<p><b>MORE BUSINESSES</b></p> <p>There are more businesses in building and construction than any other industry, most of which are small and micro in size.</p>	<p><b>A STRONG ECONOMY</b></p> <p>We are the second largest industry in the economy at almost 9% of GDP, performing construction work worth over \$220 billion each year injecting almost \$150 billion into our economy.</p>	<p><b>PROSPEROUS COMMUNITIES</b></p> <p>We help the community deliver hospitals, schools, roads and public infrastructure worth over \$80 billion each year.</p>
<p><b>BETTER JOBS</b></p> <p>We directly employ over 1 in every 10 workers – more than 1.1 million people – and we are forecast to need more people.</p>	<p><b>TAX</b></p> <p>We contribute over \$75 billion in taxes every year, which is almost 17% of the total.</p>	<p><b>STRONG REGIONS</b></p> <p>We drive and support the needs of regional communities by making sure they have the vital roads and infrastructure necessary to thrive and grow.</p>
<p><b>NEW SKILLS</b></p> <p>We train more than 80,000 new tradies each year.</p>	<p><b>WAGES</b></p> <p>We pay more than ¼ of the total amount of wages paid to all workers.</p>	<p><b>PRODUCTIVE WORKPLACES</b></p> <p>We are leaders in developing cooperative, productive and lawful workplaces.</p>
<p><b>SECURE CAREERS</b></p> <p>Average wages in construction exceed \$100,000 per year with more full-time jobs than any other industry.</p>	<p><b>EXTRA JOBS</b></p> <p>We support over 1.5 million other workers through flow-on activity.</p>	<p><b>HEALTHY &amp; SAFE WORKFORCE</b></p> <p>Over the last decade we've improved safety records and taken the lead in finding industry driven solutions to emerging challenges.</p>

# MASTER BUILDERS AUSTRALIA KEY POLICIES

It is essential that the next Australian Government implement policies that gives industry the freedom to grow and expand so we can make an even bigger and better contribution to the community and the economy.

These key policies are:

- ✓ **Backing Small Business:**  
Our policies support small business and encourage fair competition and commercial conduct.
- ✓ **Boosting Skilled & Secure Careers:**  
Our plan to fix forecast skills shortages and increase jobs.
- ✓ **Building Stronger & More Prosperous Communities:**  
Measures to implement effective building regulations, address energy efficiencies, and develop strategic infrastructure.
- ✓ **Balanced Workplace laws & Safe Building sites:**  
Government must retain the ABCC and improve workplace relations law to ensure harmonious, safe and productive workplaces, not just more 'tick a box' red-tape.



## BACKING SMALL BUSINESS

There are more small businesses in building and construction than any other part of the economy. They are a key driver of innovation and industry entrepreneurship, train more apprentices than big business, and where jobs are created.

99% of Australia's building and construction businesses are small and family owned, so it is important that everyone plays by the rules, gets paid on time and can act fairly without unnecessary and ineffective red-tape.

Government must avoid making it harder for small business by ensuring policies are sensible, practical and clear.

### ENSURING FAIR & SENSIBLE COMMERCIAL CONDUCT

Whether it's a house, a new hospital or an existing renovation, all construction is built in carefully planned and timed stages using specialist subcontractors such as carpenters, electricians and roofers. The entire industry depends on this system of contracting – builders need subbies to get the work done and subbies need builders to provide and coordinate the work. This is why it's so important for everyone to be fair and reasonable – we strongly believe everyone is entitled to be paid for the work they do, in full and on time.

It's important to resist simple solutions and understand that there's no one single solution because the problem is complex. The next Government must:

- Work with the States and Territories to fix Security of Payment Laws so they are more consistent, simple, and accessible.
- Preserve the rights of independent contractors as a legitimate and necessary form of business.
- Ensure changes to Commonwealth procurement laws actually deliver improved standards of commercial conduct, not just more red-tape.

### DEDICATED REVIEW OF EXISTING BUILDING INDUSTRY RED-TAPE

Building and construction business are drowning in red tape and it's getting worse. The next Government must:

- Undertake a genuine and meaningful review of all building and construction regulation and compliance obligations with a view to slashing red-tape.
- Not introduce additional red-tape or burdensome business regulation unless it's absolutely necessary.

### REDUCE TAXATION BURDEN

Reductions in business taxation levels will drive investment and boost jobs. The next Government must:

- Permanently increase the deductibility threshold for business assets to \$30,000 and extend it to all businesses.

### CREATE A NEW INDEPENDENT SMALL BUSINESS REGULATOR

The next Australian Government should establish a new independent agency to eliminate the introduction of red-tape and to remove complex rules and unfair one-sided procurement practices that mean many small businesses and subcontractors miss out on Government construction work. This new regulator must:

- Rigorously test the impact of legislation and regulation on SMEs; and
- Spearhead changes to make the Federal Government a 'model procurer' to ensure projects are made accessible to small business.

## BOOSTING SKILLED & SECURE CAREERS

More than 1 in every 10 Australians work in building and construction – that's over 1.1 million people directly employed – with more full-time jobs than any other sector where average trade wages easily exceed \$100,000pa. We train more than half of tomorrow's tradies and employ over 80,000 trainees and apprentices every year.

Our biggest challenge is that we are going to need about 300,000 new skilled workers over the next five years.

### 300,000 IN 5 – INDUSTRY DRIVEN SKILLS & JOBS SOLUTIONS

Master Builders Australia believes that by giving building and construction a greater say, we can deliver an 300,000 skilled and job-ready workers over the next 5 years. The only way for us to deliver this target is for the Government to partner with industry to deliver better skills solutions and boost job outcomes by trusting building and construction employers and funding programmes driven by industry that we know will work. The next Federal Government must:

- Promise to deliver 300,000 skilled and job-ready building and construction workers over the next 5 years.
- Sustainable funding for not-for-profit vocational education and employment services, that utilise industry experience and knowledge to give more people with skills a greater chance of getting a job.
- Restore funding to support employers to take on more apprentices.

- Help industry run a range of skills programmes from targeting young people and parents at school, helping up-skill existing workers, and better harnessing the experience of tradies at the end of their careers.
- Implement solutions that we know work well, such as funding pre-apprenticeship programmes that help people be job ready and productive right from day one.

### REFORM VET SYSTEM TO MAKE IT CLEAR & SIMPLE

The 'shared' nature of Vocational Education and Training (VET) between levels of government has turned it into an ineffective and complex quagmire that is so confusing to parents and young people. There are different and often competing programmes being rolled-out all around the country but there is no strategic, long-term thinking that actually aims to provide long-term solutions. The next Federal Government must:

- Be the leader in driving a sustained and meaningful change to the VET system that removes the stifling red-tape, avoids duplication and fixes the complex skills framework development process.

- Recognise that industry RTOs meet and exceed TAFE standards and have a demonstrated history in producing skilled and job-ready workers, by guaranteeing fair funding from all levels of Government.

### RAISE THE PROFILE OF A TRADES CAREER

For too long a vocational and trades career has been seen as inferior to a university degree. Combined with a complex VET system, people either don't know how rewarding a trades career can be or if they do, it's simply too hard for many parents and students to know where to go. The next Federal Government must:

- Make a sustained and strategic effort to raise the profile of VET and change community perceptions so that people understand that a trades career is actually a better option than the conventional university path.
- Work with industry to change the perceptions of teachers, students and parents about the benefits of vocational education and boost awareness of the rewards associated with a career in building and construction – high wages, stable full-time employment, and skills for life.

# BUILDING STRONGER & MORE PROSPEROUS COMMUNITIES

**Building and construction is so important in making our communities stronger and more prosperous.**

Whether it's achieving the dream of home ownership, ensuring buildings are efficient, safe and sustainable, or delivering roads and hospitals; building and construction is central to helping the community achieve their aspirations and meeting their expectations.

The problem is that costs keep going up – putting new homes out of reach for many ordinary Australians and making the community pay more for much needed public infrastructure. State and local government levies, taxes and rules keep on getting bigger and changing the way homes are taxed will make this problem even worse.

Everyone understands that buildings need to be safe, sustainable and efficient – the challenge is to make sure this can happen without pushing up costs for everyday families and communities.

Master Builders Australia wants to work with the next Government to achieve this aim through several key policies.



## SAFE, EFFICIENT & QUALITY BUILDINGS

Everyone agrees we need safe, efficient and quality buildings. We want to work with Governments at all levels to achieve these things in a smart, effective way that doesn't force up costs.

The next Federal Government must:

- Ensure the National Construction Code is practical and effective, by retaining Federal oversight to guard against changes by stealth.
- Show leadership in improving the way State regulators enforce building rules and improving consistency around Australia, and provide all the necessary resources to help the work of the Australian Building Codes Board (ABCB).
- Promise to ensure all proposed changes to technical building regulations are thoroughly vetted to make sure they will actually work.
- Make no changes to energy stringency rules unless they are market-driven and come at no cost to ordinary Australians.

## MEET THE HOUSING NEEDS OF ALL AUSTRALIANS

The adequate supply of appropriate and affordable housing is a critical part of the Australian economic and social fabric. As a nation, Australia has one of the highest rates of home-ownership in the world. But the cost of a family home, over the past decade, is pushing home ownership out of reach for many Australians. The next Federal Government must:

- Make no changes to Negative Gearing rules or Capital Gains Tax.
- Maintain the tax-free status of the family home.
- Work with industry to tackle ever increasing levies, charges and taxes imposed by State and local governments which are passed in turn to home owners.
- Fix the uncoordinated, excessive and unnecessary planning, building and environmental regulations which simply don't work and make new homes more expensive.
- Implement the recommendations in Master Builders Australia "Unlocking Supply" report.

## DELIVER MUCH NEEDED COMMUNITY INFRASTRUCTURE

It's so important that the community gets more schools, roads and hospitals delivered on-time and in a way that doesn't waste the taxpayers' money. The next Federal Government must:

- Continue to increase infrastructure spending.
- Support the ongoing role Infrastructure Australia plays in coordinating infrastructure planning and investment.
- Build on policies that coordinate levels of government and incentivise state and territories to improve policy for housing.

# BALANCED WORKPLACE LAWS & SAFE BUILDING SITES

The building and construction industry places a high priority on a safe and productive workplace relations environment. Harmonious, safe and productive workplaces are vital for a strong building industry, a thriving economy and more job opportunities for all Australians.

We are a growing industry and will need even more workers over the next decade, however current workplace laws discourage many from hiring and training more apprentices. This is why we are committed to delivering safe and productive workplaces. We want workers to be safe and for our workplaces to be like workplaces in other industries.

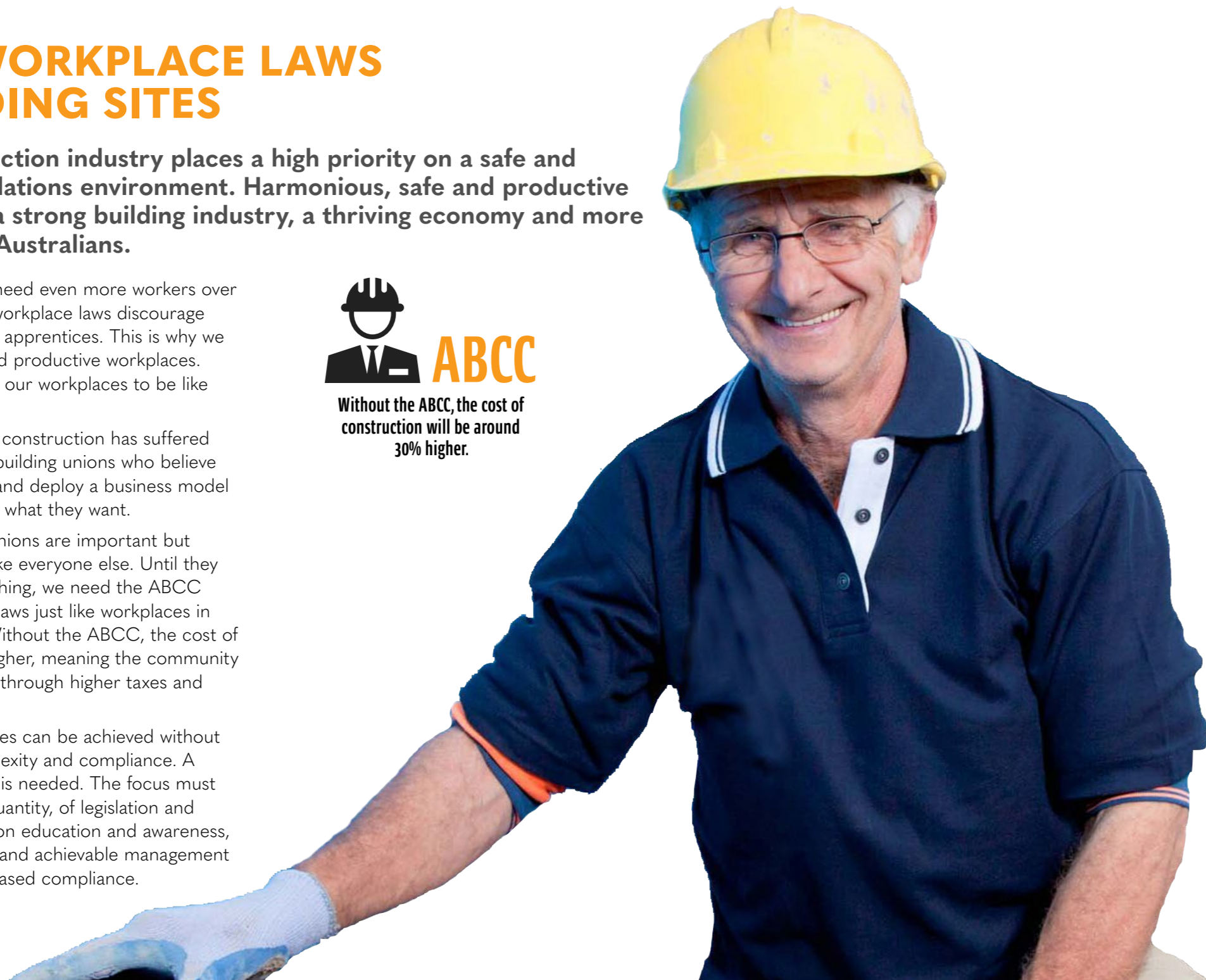
But the sad fact is that building and construction has suffered from the decades old approach of building unions who believe that the law doesn't apply to them and deploy a business model based on bullying people into doing what they want.

Master Builders Australia believes unions are important but they have to play by the rules just like everyone else. Until they can show an ability to do the right thing, we need the ABCC to protect workers and uphold the laws just like workplaces in other industries seem able to do. Without the ABCC, the cost of construction will be around 30% higher, meaning the community pays more for the things they need through higher taxes and delayed projects.

Safe and more productive workplaces can be achieved without adding to the existing level of complexity and compliance. A common sense, practical approach is needed. The focus must be on the quality, rather than the quantity, of legislation and regulation. The focus must also be on education and awareness, injury prevention, and the practical and achievable management of foreseeable risk, not just paper-based compliance.



**Without the ABCC, the cost of construction will be around 30% higher.**



The next Federal Government must:

## RETAIN THE ABCC TO PROTECT WORKERS & STOP BULLYING

The ABCC protects workers and stops union bullying by enforcing special rules designed to fix the ingrained and toxic culture embraced by building unions. The next Federal Government must:

- Retain the ABCC and commit to ensuring it will be kept until building unions have shown they can play by the rules like normal unions do and building sites are operating like normal workplaces.

## ADOPT FAIR & BALANCED WORKPLACE LAWS

It's important that we have a safety net of minimum conditions for workers enshrined in law. But these must be balanced so that workers and employers have equal rights, encourage job creation, and are clear and simple to understand. The next Federal Government must:

- Avoid unnecessary restrictions on the way people work, including the right to be an independent contractor and for employer and employees to implement work arrangements that suit their needs – not the needs and unreasonable demands of unions.
- Commit to preserving freedom of association laws and promising to say no to anything that gives unions more say or more rights than ordinary everyday workers, and make sure right of entry rules are strengthened and properly enforced.
- Recognise the needs of small business and encourage them to take on new workers.
- Improve bargaining laws to better help workers and business quickly and effectively put in place arrangements without ineffective red-tape and lengthy delays.
- Ensure that organisations of employers and employees are transparent, accountable and play by the rules.

## ENSURE SAFETY LAWS DRIVE BETTER SAFETY OUTCOMES

Safety laws must be focused on delivering real improvements in safety, avoid unnecessary 'tick a box' paper-based compliance approaches, and aren't used as a back-door for unions. The next Federal Government must:

- Recognise that safety is a shared responsibility for everyone in the workplace and everyone, including workers, have an important role to play in being safe.
- Uphold the principle that prevention is better than the cure, by focusing on stopping injuries and accidents before they happen and reject things like industrial manslaughter which won't improve safety outcomes and will take the system backwards.
- Stop the growing creep that blurs the line between industrial relations law and safety law.

# HOW GOVERNMENT CAN IMPLEMENT KEY MASTER BUILDERS AUSTRALIA POLICIES & SUPPORT THE BUILDING & CONSTRUCTION INDUSTRY



**NO INDUSTRY CAN SURVIVE WITHOUT A STRONG ECONOMY**

The Federal Government must ensure all policy measures preserve and strengthen fundamental economic principles that underpin a free, stable and productive economy.



**THERE ARE NO JOBS WITHOUT BUSINESSES**

The Federal Government must implement policy that supports business, reduces red-tape, encourages growth, supports innovation and rewards hard-work and entrepreneurship.



**TAXPAYERS MONEY MUST BE SPENT WISELY**

The Federal Government should ensure taxpayer's money is spent and that ensuring much needed community infrastructure is delivered on time, and on budget.



**TALK WITH INDUSTRY TO DELIVER BETTER & MORE EFFECTIVE POLICY OUTCOMES**

When initiating or implementing policy, the Federal Government must ensure maximum consultation and engagement with industry to give policies the best chance of working successfully and effectively.



**GOOD INTENTIONS DO NOT EQUAL GOOD POLICY**

Law and policy makers must resist the temptation of making laws based on 'good intentions' or wishing to 'be seen to do something' and instead return to an objective focus based on 'good evidence' where extra laws and regulations are made only if necessary. Knee-jerk policy designed for good headlines is always bad policy and must be avoided.



**NEVER FORGET THE REAL WORLD**

The Federal Government and policy makers should remember that the decisions they make have potential to cause significant impacts on the lives of others. Whether it be yet another form to complete or some new business compliance cost – every change has a flow-on which could cause even bigger problems. Policy measures must therefore be sensible, practical, and reasonable.

# **STRONG BUILDING STRONG ECONOMY**

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