



**MASTER BUILDERS**  
AUSTRALIA

# BUILDING A SUSTAINABLE & RESILIENT FUTURE

## Building & Construction Industry Sustainability Goals 2050

FIRST ANNUAL REPORT  
JULY 2024

How Australia's building and construction industry is working to future-proof the sector and Australia's built environment





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# STRONG BUILDING = A STRONG ECONOMY



**449,000**

Consists of over  
**449,000 business entities**  
(as at 31st March 2024.  
Exact figure is 449,162)



**98.6%**

of all construction  
**businesses are small in size**  
(as at 30th June 2023)



**11%**

Accounts for **11% of GDP**  
(year to March 2024.  
Exact figure is 11.1 per cent)



**1.37m**

Employs **1.37 million people**  
(as at May 2024.  
Exact figure is 1,368,300)



**48%**

of trade apprentices  
**work in the industry**  
(as at 31st December 2023)



**\$294b**

Performs **\$294 billion**  
**worth of work annually**  
(year to March 2024)

# FOREWORD

Master Builders undertook to report on an annual basis against the agreed plan to achieve the Sustainability Goals 2050. This is the first annual report.

Each of the eight 2050 Goals have a 2030 Ambition and a first three-year plan that covers the period July 2023 through to July 2026.

While there is huge demand for building and construction work – including through the commitment by all levels of Government to build 1.2 million homes over the next five years – the industry has been battling significant headwinds that make it difficult for those opportunities to be realised. Factors include:

- High inflation.
- Higher than anticipated interest rates.
- Labour shortages.
- Compounding changes to industrial relations laws.
- Federal, State and Territory Governments implementing new building regulations that have increased costs and added to red tape compliance.

These difficulties have meant that in the past 12 months there has been:

- An ongoing productivity decline, with the industry now 18 per cent less productive than it was 10 years ago.
- Reduction in private investment in building and construction.
- Higher than average insolvencies experienced in the industry.

Despite these issues, Master Builders is still forging ahead with the Sustainability Goals, leading transformation for the long-term benefit of the industry and Australia's built environment. This includes:

- Working with Government and the building supply chain on changes to support the goal for a net zero built environment.
- Participating in reforms to building regulation on priority building resilience issues such as waterproofing and bushfires.
- Increasing female participation with the ongoing work of the Women Building Australia program and advocacy to Government for greater support.

- Partnering with a tech platform to provide much needed digital contract management and payment tools.
- Working with the Office of the Federal Safety Commission to promote better safety outcomes on building sites.

This first annual report renews the commitment made by Master Builders to the Sustainability Goals and identifies the progress made thus far against each of the goals established in 2024.

Mindful of the practicalities of what is happening in the industry and the need for support during current challenges, we are moving at a realistic pace in meeting these goals. This pace seeks to achieve incremental change across the industry, as opposed to rapid change that cannot be maintained, or upheld on an industry-wide basis.

It is critical for sustainable change that the industry is involved, informed, and motivated.



*Craig Edmunds*  
**Craig Edmunds**  
National President



*Denita Wawn*  
**Denita Wawn**  
Chief Executive Officer

# OUR 2050 GOALS

In July 2023, Master Builders Australia (Master Builders) committed to developing policies, partnerships, and strategies to future-proof the building and construction industry. This commitment is made through a sustainable change management plan, which embeds an Environmental, Social and Governance (ESG) framework to underpin the Sustainability Goals for 2050.



## Environment

### Net zero built environment

Buildings built to enable net zero emissions.

### Resilient built environment

Building laws, standards, and performance are at an appropriate level to meet the health and wellbeing needs of our future population and contribute to better building outcomes.

### Circular economy

The building and construction industry minimises its environmental footprint by reducing its quantum of waste, adopting best practice recycling programs, and minimising its water usage.



## Social

### Fair and safe workplace conditions

To achieve a sustained and ongoing reduction in fatalities and injuries within the building and construction industry.

### Equality, diversity and inclusion

That the building and construction workforce reflects the Australian population.

### Mental health

To ensure the building and construction industry is known as a sector that fosters and supports positive workplace mental health and has eliminated (or substantially reduced) the incidence of suicide amongst industry participants.



## Governance

### Business conduct

The structures, frameworks and relationships in the industry supply chain reflect a profitable and sustainable outcome for all.

### Community engagement

That the industry has developed and implemented best practice standards in community engagement.

# ENVIRONMENTAL GOALS

## What have we done in the past 12 months?

### Net Zero in the Built Environment

- Submission on National Construction Code 2025 on commercial building energy provisions that supports the 2050 ambition, but with a cautious approach toward requirements for electric vehicle charging.
- Advocacy to Federal Government on the net zero trajectory regarding energy performance, a built environment sector plan, electrification, and energy efficiency pathways. Most of the heavy lifting has been done by new building, through thermal fabric improvements. The focus of future work needs to be on existing buildings; measuring embodied carbon; better processes for product assurance, attestation, recycling and re-use; delivering adequate energy network capacity; and boosting industry capability.
- Master Builders Queensland led the formation of the Building Products Coalition and related industry advocacy agenda on consistent product information and digital traceability tools that will be necessary for future discussions on embedded carbon.
- Participation in the Government innovation agenda on prefabricated and modular buildings that will encompass a move to net zero outcomes.
- Greater focus on energy efficiency in all building and construction awards as opposed to just being reflected in specific awards.
- Held an active membership in Australian Sustainable Built Environment Council and developed stronger ties with CRC 4.0 that will be on showcase at national meetings.

### Resilient Built Environment

- Participating in reforms to building regulation on priority building resilience issues such as water proofing and bushfires.
- Member Associations have been working in conjunction with their State and Territory Governments to improve building outcomes. For example, the establishment of a Building Commission that had been sought by the Master Builders Association of NSW for decades.
- Continued advocacy with Government and Standards Australia for easier access to regulated building standards in terms of reducing cost and/or through more user-friendly digital means.
- Collaboration with the Planning Institute of Australia and the Insurance Council of Australia in advocating need for better planning laws and infrastructure for disaster resilience risk mitigation rather than over-reliance on the building code.

### Circular Economy

- Working with Building 4.0 CRC, who is in partnership with Master Builders Victoria, and other stakeholders in developing a scoping study on Building the Future and a Shared Interests Project to plan necessary steps and actions for a transition to a circular economy.
- Australian Environment Ministers have agreed to work with the private sector to design a waste and pollution solution, to keep materials in use and foster markets that achieve a circular economy by 2030.



# Environment

Issue	2050 Goals	2030 Ambition	First three-year plan
<b>Net Zero built environment</b>	<b>Buildings built to enable net zero emissions.</b>	<p>Identify and advocate Master Builders' position on the next steps to be incorporated into the NCC to support the move to net zero, including identifying the appropriate transition arrangements that consider workforce, supply, finalised frameworks, and education process.</p> <p>Create and implement a roadmap that:</p> <ul style="list-style-type: none"> <li>• Recognises and manages risks that may arise in pursuing a net zero environment.</li> <li>• Identifies innovation in the industry to mitigate risks and improve productivity in the move to net zero..</li> </ul> <p>Funding secured for ongoing industry education programs to NCC, and regulated standards changes.</p> <p>MBA to facilitate greater engagement with building industry partners and the supply chain to support a sustainable net zero transition.</p>	<p>Develop a position on NCC 2025.</p> <p>Develop a roadmap of the substantial reforms that require appropriate transition, risk mitigation, education, and capacity-building processes to be effectively implemented.</p> <p>Identify key areas for industry innovation, establish and participate in forums and develop information tools for membership. Initial tasks include progressing:</p> <ul style="list-style-type: none"> <li>• Development of an energy efficiency renovation guide.</li> <li>• Work regarding product assurance, traceability, and net zero innovation.</li> <li>• Work regarding the move to electric, gas transition.</li> <li>• Re-establish MBA Green Living program on national basis.</li> </ul> <p>Establish a sub-committee to progress information/education content development on net zero.</p> <p>Establish partnerships with key stakeholders. Master Builders to utilise this network of expertise in the development of advocacy positions and education materials/information for member network.</p>
<b>Resilient Built environment</b>	<b>Building laws, standards, and performance are at an appropriate level to meet the health and wellbeing needs of our future population and contribute to better building.</b>	<p>Identify and advocate Master Builders' position on what should be the next steps to be incorporated into the NCC and related standards to ensure future buildings are fit for future through a sustainable transition process, including identification of the appropriate transition arrangements that consider workforce, supply, finalised frameworks, and education process.</p> <p>Better standards are delivered that enable better building outcomes for identified high-risk issues. E.g., waterproofing.</p> <p>Continue engagement with key industry partners on the development of standards.</p> <p>Regulated standards are freely available.</p> <p>Planning laws are reformed to meet the goal and are consistent across LGAs.</p>	<p>Develop a position on NCC 2025.</p> <p>Develop a roadmap of the substantial reforms that require appropriate transition, risk mitigation, education, and capacity-building processes to be effectively implemented.</p> <p>Continue to pursue free access to regulated Australian Standards to offset cost pressures and support better member access to regulatory guidance needed for compliance.</p> <p>Member network to advocate for reforms to local planning regimes to address disaster resilience risk and not leave the heavy lifting to only building code changes.</p> <p>Establish and/or continue partnerships with key stakeholders.</p>
<b>Circular Economy (water, waste, recycling, product design &amp; industrial ecology)</b>	<b>The building and construction industry minimises its environmental footprint through reducing its quantum of waste, adopting best practice recycling programs, and minimising its water usage.</b>	<p>Identify and develop waste, recycling, and water efficiency targets and roadmaps.</p> <p>Other issues to consider in this work include flexible design, design for disassembly, embodied energy and industrial ecology.</p>	<p>Develop a Master Builders roadmap on the circular economy.</p> <p>Establish partnerships with circular economy stakeholders. Master Builders to utilise network of expertise in the development of advocacy positions and education materials/ information for member network.</p> <p>Identify and showcase Master Builders leaders that are applying waste, water, and recycling innovations on building sites.</p>

# SOCIAL GOALS

## What have we done in the past 12 months?

### Fair and safe workplaces

- Master Builders has focused on working with the Office of the Federal Safety Commissioner in identifying high risks and supporting the Office in its education efforts. In addition, Master Builders is consulting with the Office on its work regarding a scheme framework for residential builders receiving funding from the Housing Australia Future Fund.
- Master Builders played a central role in the development of practical elements underpinning laws prohibiting the installation, use and modification of engineered stone benchtops, and promoted information about these new obligations throughout the industry.
- We established regular meetings with a range of Commonwealth safety agencies, including Safe Work Australia and the Asbestos and Silica Safety and Eradication Agency, focused on the need for better, clearer and more practical safety information for small business members, and continue collaborative work aimed at driving shared goals.
- Continued our engagement in a range of domestic and international committees involved in a range of both Domestic and International Safety Standards.

### Equality, diversity, and inclusion

- On International Women's Day, Master Builders launched a report, *Breaking Ground: Women in building and construction*, that identifies the challenges women face in the industry. It presents practical solutions and ignites meaningful discussion on how to increase female participation in the industry.
- The Women Building Australia program continued with mentoring support, career advice, and promotional activity.
- Concerns with restrictive patterns of work in awards and Enterprise Bargaining Agreements (EBAs) have been raised in submissions to Government, and the Master Builders Association of NSW is conducting a university-led review into the concept of a five-day work week.

### Mental Health

- Master Builders member associations continue their close association with industry-specific mental health service providers in their States and Territories.
- Engagement with industry and stakeholders in Government regarding the expanded legal requirements as to psychosocial risks and hazards in the workplace, including the promotion of information and materials to assist workplaces understand their obligations.
- Promoted a range of other policy initiatives across a broad range of government portfolios designed to drive improvements in workplace conditions by targeting key factors contributing to poor mental health, including strong laws to prevent conduct and activity causing pressure on management and business owners.





# Social

Issue	2050 Goals	2030 Ambition	First three-year plan
<p><b>Fair and safe workplace conditions</b></p>	<p>To achieve a sustained and ongoing reduction in the incidence of fatality/injuries within building and construction.</p>	<p>To work with the Office of the Federal Safety Commissioner and SafeWork Australia to target high-risk safety issues through education campaigns.</p> <p>Showcase technology solutions which assist to improve safety.</p>	<p>Review safety and dispute statistics to establish benchmark data.</p> <p>Explore partnerships with other sector-specific industry bodies to focus on commonly experienced site hazards.</p> <p>Continue work to develop, promote, and utilise WHS lead safety indicators to better monitor safety outcomes, including (for example) IS45004.</p> <p>Examine and develop a SME focused industry-specific online material resource.</p>
<p><b>Equality, Diversity, &amp; Inclusion</b></p>	<p>That the building and construction workforce reflects the Australian population.</p>	<p>Maintain and expand the Women Building Australia Program.</p> <p>Encourage the industry, in EBA negotiations, to consider how work patterns are structured to encourage more equality, diversity and inclusivity in the workforce.</p> <p>Seek amendments to the relevant industrial awards to ensure patterns of work are structured to be more reflective of the needs of a more diverse workforce.</p>	<p>Secure three-year funding from 1 July 2024 for WBA program.</p> <p>Finalise "Bargaining Principles" document and promote through ongoing advocacy.</p> <p>Identify member examples of innovative EDI practices and promote them via social media/other campaigns.</p> <p>Revise and consider amendments to existing policy positions to reflect the three-year ambition and promote through ongoing advocacy.</p> <p>Consider outcomes of research underway on a five-day working week; audit against other similar research; identify opportunities for further 'in-field' trials sanctioned by relevant regulators/Governments.</p> <p>Monitor attempts to implement 'standardised' or 'pattern' conditions in all forums and call out any activity that is inconsistent with the three-year ambition.</p> <p>Identify relevant Award provisions requiring amendment and consider case prospects and approach to proceeding.</p>
<p><b>Mental Health</b></p>	<p>To ensure the building and construction industry is known as a sector that fosters and supports positive workplace mental health and has eliminated (or substantially reduced) the incidence of suicide amongst industry participants.</p>	<p>Identify preventative measures to reduce the prevalence of psychosocial hazards in the building and construction industry and then work with specialist service providers in any uplifts that can occur in the industry.</p>	<p>Desktop audit of existing service providers/resources to establish the scope of work.</p> <p>In light of recent regulatory changes, perform stocktake of existing/evolving legal obligations and develop construction-specific practical materials/resources to assist members in identifying common relevant psychosocial risks and hazards, with a SME focus.</p> <p>Identify member examples of innovative mental health practices and promote them via social media/other campaigns.</p> <p>Review various ongoing/existing industry-specific academic mental health research to explore partnership/ bespoke research opportunities, with a particular focus on 'employer/director/SME' mental health.</p> <p>Ensure that Member Associations make members aware of the services they provide for members and encourage their use.</p>

# GOVERNANCE GOALS

## What have we done in the past 12 months?

### Business Conduct

- Maintained a partnership with Building 4.0 CRC and Building Ministers industry forums to progress research and innovation. Projects include: automated tracking of construction materials,
  - Virtual Reality/Augmented Reality tech in Vocational Education and Training (VET),
  - regulation reform for industrialised building, and
  - future of construction education.
- Master Builders also had representatives on the United States Research tour in 2024 San Francisco and the Greater Bay area.
- Undertook economic modelling of the productivity capacity of the industry to deliver government-funded housing that identified a series of barriers which have formed the basis of advocacy for policy and legislative change. The paper released from this process is called *The Cost of Letting Productivity Slip*.
- Developed a comprehensive policy to improve commercial conduct in the industry titled “A fair and simple approach to getting paid” which included:
  - A comprehensive model to underpin any moves towards a nationally consistent Security of Payment system, that ensures parties to construction contracts are paid promptly, on time, in full, for the work they have done
  - Proposals that address the need for disputes to be resolved quickly and easily so that parties to construction contracts can avoid delays and financial hardship

- A more effective alternative to the ‘deemed statutory trust’ model as recommended in the Murray Report, including that Government establish a “Fair Payment Guarantee Fund” to provide a safety net of last resort with assistance available for eligible subcontractors
- Drivers to seek a more sensible and fair approach to risk allocation
- Encouraging a more responsible approach to the lending practices of financial institutions involving residential building, and
- Pursues and boosts broader economic conditions for the entire industry.
- Commenced work with a tech software provider to digitise standard form contracts that also enables contract administration and secure payment process.
- Partnered with Council of Small Business Organisations Australia to provide the CyberWardens training for small to medium enterprise building and construction businesses.

### Community Engagement

- Commenced work on a proposal to consider how best the industry could engage with the community, such as through a program like the Considerate Constructors Scheme in the United Kingdom.
- Enhanced collaboration through the National Affordable Housing Alliance to assist in advocacy for housing for those in greatest need.



# Governance

Issue	2050 Goals	2030 Ambition	First three-year plan
<b>Business conduct</b>	<p>That the structures, frameworks, and relationships in the building and construction industry supply chain reflect a profitable and sustainable outcome for all.</p>	<p>Identify and facilitate collaboration across the supply chain for industry productivity transformation in the key areas of:</p> <ul style="list-style-type: none"> <li>workplace relations,</li> <li>contracts,</li> <li>procurement including government procurement,</li> <li>security of payment,</li> <li>innovation in building materials or practices, and</li> <li>de-globalisation of materials, workforce needs.</li> </ul> <p>Work with Member Associations to encourage building and construction businesses to improve their business systems and business acumen.</p>	<p>Work with government on the development of construction sector innovation, and industry transformation.</p> <p>Develop a roadmap to understand the problems that give rise to business stress/failure – what currently prevents sustainable and profitable outcomes? This process should:</p> <ul style="list-style-type: none"> <li>objectively identify deficiencies or pressure points in existing arrangements/frameworks,</li> <li>clearly understand the role that regulation did (or didn't) play in terms of preventing or avoiding insolvency,</li> <li>support the development of solutions that are fair, tangible and effective, and</li> <li>provide evidence-based clarity as to the true or root 'cause' of recent business failures in building and construction.</li> </ul> <p>Develop and deliver productivity paper that identifies cumulative burden of cost pressures associated with regulation, tax, charges, and economic shocks.</p> <p>Develop and implement an advocacy plan on sharing contract risk, model procurement processes, and security of payment. The plan to include:</p> <ul style="list-style-type: none"> <li>Collaboration with a specific focus on organisations who advocate policy positions contrary to those of MBA to thoroughly understand why differences of view may exist, and garner support for issues where views are mutually supported.</li> <li>Promote the use of fair contracts.</li> <li>Develop a Clear 'Model' for Nationally Consistent Security of Payment laws.</li> </ul> <p>Partner with key stakeholders on "Smart Business" information resources and tools to support more resilient business development.</p> <p>Finalise "Bargaining Principles" document and promote through ongoing advocacy.</p> <p>Review ABS Industrial Disputes data measures and develop policy position to advocate for data collection that incorporates previously un-measured types of industrial activity.</p> <p>Establish a <i>Productivity &amp; Disputes</i> sub-group to identify industry-specific 'real world' measures of site productivity and disputation impact/costs.</p>
<b>Community Engagement</b>	<p>That the building and construction industry has developed and implemented model standards in community engagement.</p>	<p>Develop and establish a Master Builders network that enhances the industry's engagement with the broader community.</p> <p>Continue and enhance the national awards program to showcase the good work of builders.</p>	<p>Assess the potential for the use of the considerate constructors scheme (UK) in Australia or scope the option for an alternative proposal.</p> <p>Conduct a review of the two national awards program in terms of its delivery to enhance the reputation of the industry to the community.</p>



**MASTER BUILDERS**  
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Master Builders Australia Ltd  
PO Box 7170, Yarralumla ACT 2600  
02 6202 8888  
[enquiries@masterbuilders.com.au](mailto:enquiries@masterbuilders.com.au)  
[www.masterbuilders.com.au](http://www.masterbuilders.com.au)

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