

APRIL 2021

NATIONAL OFFICE MONTHLY REPORT

FROM THE CEO

Reducing the pressures on the supply chain from the overwhelming success of HomeBuilder continued to be a priority focus in April, culminating in an announcement by the Federal Treasurer and Assistant Treasurer on 17 April to extend the commencement date by an additional 12 months. Master Builders Australia was fortunate to attend the announcement and discuss the issues impacting the industry with the Treasurer as we are mindful that the extension does not resolve all issues as to product delays and skill shortages.

We continued to press to the Federal Treasurer and Assistant Treasurer our concern about the gap in the commercial sector, particularly high rise residential, which we believe could be partially alleviated through government expenditure or incentives to facilitate private investment in affordable housing and social infrastructure. In this regard, we are advocating directly with Government but also through the newly formed National Affordable Housing Alliance (NAHA), which held a very successful workshop during the month to agree on an advocacy pathway.



Seeking improvements in building quality without undue costs and pressure on the industry is a high priority with mixed results. We have worked collaboratively with the Insurance Council of Australia in the last few months. Our 3rd roundtable in Sydney on 20 April identified a clearer pathway of incentives and guidelines as opposed to regulatory changes to improve the resilience of homes in high-risk natural disaster areas. However, it was disappointing to see a majority of State and Territory Governments agreeing to change the National Construction Code (NCC) to include mandatory universal access to homes at last week's Building Ministers Meeting despite a Regulatory Impact Statement that identified that the costs significantly outweigh the benefits. The multi-jurisdictional nature of the oversight of the NCC continues to frustrate the industry and highlights the complexity for the Master Builders Federation in advocating to 9 Governments when it comes to building regulation matters.



It has been fantastic to start meeting up with Member Association Boards again with the National President. In April, we have been able to visit Master Builders Associations in **Western Australia, Queensland, ACT** and **Tasmania** to outline work during 2020, our new strategic plan and the priorities for 2021.

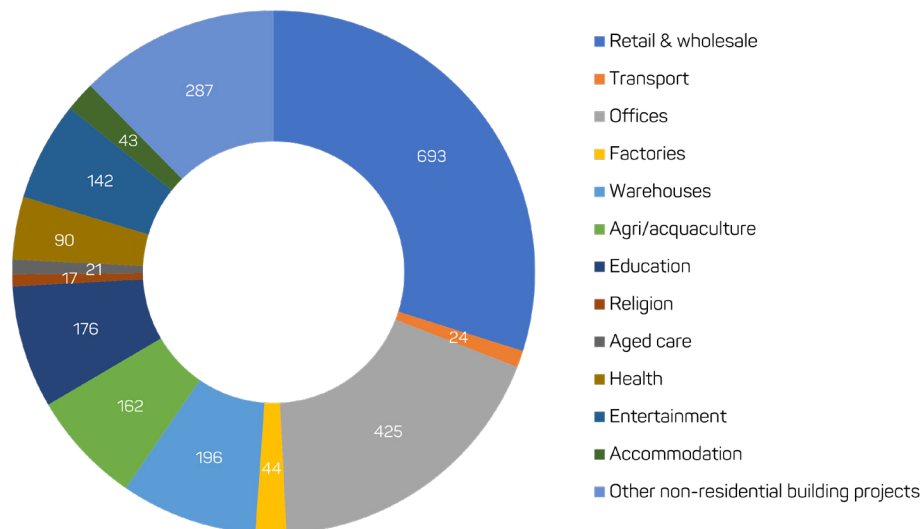
NATIONAL ECONOMIC DATA SNAPSHOT

NON-RESIDENTIAL BUILDING

2,320 non-residential building jobs valued at \$4,222.9 million were approved in AUS in Feb 2021.

Public sector share of non-residential building jobs approved in Feb 2021: 46%.

Non-residential building jobs approved, Feb 2021 (number of jobs)



CIVIL CONSTRUCTION

Civil construction work, December 2020 quarter



Civil works by activity, December 2020 quarter (\$m)

Activity	Started	Done	To be done
Other transport	\$1,546.7	\$2,909.1	\$16,302.7
Roads	\$3,693.4	\$4,704.7	\$14,553.8
Water & sewerage	\$1,781.8	\$1,750.9	\$4,621.3
Electricity	\$3,315.6	\$3,284.9	\$7,169.0
Telecommunications	\$1,330.7	\$1,254.9	\$277.9
Heavy industry	\$4,293.3	\$6,712.2	\$4,030.2
Recreation & other	\$1,684.0	\$1,628.3	\$1,158.9
TOTAL	\$17,645.5	\$22,244.9	\$48,113.9

RESIDENTIAL BUILDING

House prices: year to March 2021

- Capital cities: **+6.0%**
- Regional markets: **+11.7%**

Unit prices: year to March 2021

- Capital cities: **+1.1%**
- Regional markets: **+9.8%**

Rental price changes in Australia

- March 2021 quarter: **0%**
- Year to March 2021 quarter: **-1.4%**

Building approvals: March 2021

- Total new home building approvals: **19,422 (+20.1% change on Feb 2020)**
- Detached houses: **14,072 (+57.9% change on Feb 2020)**
- Units/apartments: **5,350 (-26.3% change on Feb 2020)**
- Home renovations: **\$997.3 million (+36.2% change on Feb 2020)**

Residential building work during December 2020 quarter

Number of new homes commenced

- All dwellings: **51,117**
- Detached houses: **34,394**
- Apartments/units: **16,723**

Number of new homes completed

- All dwellings: **45,803**
- Detached houses: **26,752**
- Apartments/units: **19,051**

New homes still under construction on 31 December 2020

- All dwellings: **185,516**
- Detached houses: **65,106**
- Apartments/units: **120,410**

Lending indicators: February 2021

- Loans to owner occupiers for construction of new home: **10,095 (+165.6% change on Feb 2020)**
- Loans to investors for construction of new home: **1,142 (+7.2% change on Feb 2020)**
- Loans to owner occupiers for residential land purchase: **3,646 (+57.7% change on Feb 2020)**
- Loans to investors for residential land purchase: **780 (+16.2% change on Feb 2020)**
- First Home Buyers share of loans: **35.1%**

LABOUR MARKET



13.08
million employed
people in AUS

5.6%
Unemployment
rate
(April 2021)



397,022
Construction
Businesses

Size (# workers)

0	239,331
1-19	152,002
20-199	5,494
+200	195

Size (turnover)

19.3% turnover less
than \$100,000
1.4% turnover greater
than \$10m



1,152,346 people
employed in
construction in AUS
(February 2021)

330,833 resi/
commercial builders
112,641 civil construction
708,871 resi/commercial
subcontractors
8.8% of AUS jobs are in
construction



Women account for
13.6% of those working
in AUS construction



90,820 construction
apprentices in-training
(end of Sep 2020)

29,600 new starts
(year to Sep 2020)

16,815 completions
(year to Sep 2020)

24,085 apprentice
carpenters in training

16,195 apprentice
plumbers in training

PRIORITY POLICY ISSUES

POLICY AREA	KEY ACTIONS	ISSUES PROGRESSING
Building Regulation	<ul style="list-style-type: none"> • Mutual recognition Bill Occupation Licensing • Building Ministers Meeting • ABCB Consultation 	<ul style="list-style-type: none"> • The Bill introduced to Parliament in March is expected to be debated in the Senate in the May-June sittings. Discussion with member jurisdictions are ongoing around requirements for registration and licensing to establish consistent approaches. To keep track of the Bills progress go to their website here. • Accessible Housing – Building Ministers met on 30 April to consider options for mandatory or non-mandatory provisions in the 2021 NCC. MBAs advocacy supports voluntary options, freedom of choice for the home-owner, more guidance to the consumer and better collection of data. <ul style="list-style-type: none"> • Unfortunately, a majority of State and Territory Governments supported mandatory inclusion in the NCC, but individual governments will have the capacity to determine exemptions. This support was despite a RIS that identified costs outweighed the benefits. • Energy Efficiency – The ABCB is finalising RIS material on energy efficiency requirements for residential buildings. The ABCB is consulting on DtS 7 Star equivalent pathway and NaTHERs 7 Star stringency increases. A final RIS is expected to be released in July. The ABCB discussion this with MBAs National Building Regulation Committee in May. • Condensation – The ABCB is consulting with MBA and other stakeholders on new provisions around increasing ventilation requirements in relation to building envelopes and vapour transfer. The ABCB discussion this with MBAs National Building Regulation Committee in May. • NCC 2021 Update – The ABCB will be meeting with MBAs National Building Regulation Committee in May to discuss the 2021 NCC update prior to the release of the draft later in the month.

Contracts

- **Deregulation Taskforce** – At the end of March, members of the National Office met with the Deregulation Taskforce, housed within the Department of PM&C, to discuss options for simplifying compliance obligations and the potential for streamlined reporting.
- **Payment Times & Modern Slavery Reporting** – Master Builders has prepared guidance for the Payment Times Reporting Framework and this will be circulated to the Committee in coming days, along with an updated set of materials regarding Modern Slavery reporting.
- **Treasury Consultations** – In addition to the Government’s consultations on consequential amendments to the Fair Entitlements Guarantee, Treasury has released Exposure Draft Regulations as part of the Government’s “Your Future, Your Super” budget announcement designed to ensure the super system delivers better outcomes for employees, including strengthening prohibitions on funds offering inducements to employers.
- **Australian Small Business and Family Enterprise Ombudsman** – A number of discussions have been held with the newly appointed ASBFEO, Mr Bruce Billson.
- **National Contracts Advisory Committee** – No formal meeting of NCAC took place this month, however, out of session engagement with the Committee continued on pertinent issues as they arose.
- National Office will continue to work with the Taskforce to develop initiatives to simplify regulatory compliance wherever possible for our members.
- National Office will continue to provide materials and updates for NCAC to assist members in meeting their reporting obligations.
- National Office will make submissions on the draft regulations which are due at the end of next month.
- National Office intends to invite him to our next round of Committee meetings.
- A formal face to face NCAC meeting to be held in Canberra will be scheduled for the coming months

Economy & Productivity

- **Master Builders forecast updates**
 - The latest set of Master Builders forecasts to 2024-25 will be published in the first week of May 2021.
 - The forecasts will cover residential building, non-residential building and engineering construction.
 - HomeBuilder means that the short-term prospects are good for detached house building and home renovations.
 - The outlook for non-residential building is more challenging, particularly in the private sector.
 - Public sector infrastructure projects will drive engineering construction higher over the next few years.

- **Submission on Australia's import vulnerabilities**
 - Master Builders Australia will be providing a submission to the Productivity Commission on our industry's potential vulnerabilities with respect to the supply of imported products.
 - Our research so far indicates that the import dependence of our industry is relatively mild. During 2018-19, imports accounted for 17.4 per cent of the inputs used by the construction industry.
 - However, the import dependence of our industry is quite high for a number of important products including electrical equipment, high-tech manufacturing products and basic chemicals.
- **Federal budget 2021-22**
 - The federal budget for 2021-22 will be delivered by the Treasurer on Tuesday, 11th May next.
 - Master Builders Australia will be receiving an advance briefing on the content of the budget prior to its publication.
 - A report on the implications of the federal budget for our industry will be circulated on budget night by Master Builders Australia.
 - We presented our pre-budget submission to Treasury in January of this year.
 - In it, we called for enhanced incentives for investment in non-residential building work as well as for the acceleration of company and personal tax cuts.
- **Medium workforce needs project**
 - The aim of this project is to forecast the likely size of the construction workforce over the next decade with a view to identifying our training needs around skilled trades.
 - During April, a considerable amount of data analysis was conducted which explored the linkages between employment and construction activity between 1984 and 2021.
 - While residential and non-residential building activity both have a strong influence on construction employment, we have found that engineering construction and high-rise home building have a much weaker effect on employment.
 - The next step will be to estimate the precise quantitative relationship between building/construction activity and employment numbers.

- **Extension of timeframe for HomeBuilder-supported projects**

- Earlier in April, it was announced that the maximum permitted timeframe between the signing of HomeBuilder eligible building contracts and the start of building work was being expanded from six months to eighteen months.
- This move was in line with previous calls from Master Builders for the HomeBuilder timeframe to be stretched out in order to accommodate unprecedented demand.
- The Master Builders Australia survey of March 2021 indicated that delays and cost escalations were a major issue in the markets for building products and trades. This evidence formed the basis of our engagement with federal government in our efforts to have the timeline extended.

- **Economy continues to bounce back**

- Figures published during the month of April 2021 provided further evidence that the economy is recovering briskly.
- There are now more people employed in Australia than ever before with total employment during March 2021 surpassing its pre-pandemic peak. The unemployment rate has fallen to 5.6 per cent but is still higher than before the pandemic (5.1 per cent).
- Across Australia, home price growth during March 2021 reached its fastest pace in over 32 years according to data from CoreLogic. Home price growth has been particularly strong in the market for detached houses and in regional markets.
- In our own industry, the number of building approvals for new detached houses hit their highest on record during February 2021 (figures go back to 1983).
- Some streams of home lending are also performing strongly. During February 2021, the number of loans for the construction of a new home and for home renovations works reached their highest levels on record.

Industrial Relations

- **New Casual NES and Construction Modern Awards** – The Fair Work Commission has commenced the process of reviewing all Modern Awards, to ensure that any provisions dealing with casual conversion are consistent with new Casual NES laws as recently passed by Parliament. There are significant differences between casual provisions in Construction Modern Awards versus the new Casual NES, so it is important to be involved to ensure simplicity and consistency. The National Office has already appeared twice before the Commission, with more substantive hearings set to take place before July.
- **Award ‘Double Dip’ worries solved** – In a small victory for common sense, the Fair Work Commission has resolved the Distant Work Travel clause ‘double-dip’ anomaly reported last month and agreed with Master Builders that it created additional cost and confusion to employers. While the fix decided on by FWC could have been better, we are pleased the issue appears to be resolved.
- Sexual Harassment laws soon to change – Government has announced it intends to implement changes in response to the Australian Human Rights Commission’s “Respect@Work” Report. The Government’s response entitled “Roadmap to Respect” essentially agreed with the bulk of the AHRC Report’s recommendations albeit with a more measured approach.
- This will be a moving feast for a few months until both the Casual NES transition period and FWC review have completed – at which point most members will only need to refer to one set of rules moving forward. We are in the process of developing further materials to help members understand the changes and what they need to do to comply.
- While there are a few parts of the 4 Yearly review yet to be finalised, this proceeding is soon coming to an end. However, the ACTU has now launched a claim to include 10 days paid domestic and family violence leave into all modern awards – so our time appearing before the Commission won’t be ending anytime soon.
- National Office will present a set of proposed responses to key parts of the Government’s announcements, including clarifying that sexual harassment and bullying is expressly prohibited under the law, to the next NIRAC meeting for consideration.

- **Making sure Government hears your voice**
 - We've been making sure that Government knows what our members want and need through a wide range of meetings with various Government departments and agencies this month, including:
 - FWC – Small Business Group: As a member of the SBRG, we've reiterated our concerns about the "Agreements in Progress" page and comments made in a recent statement issued by FWC President Iain Ross about EBA approval processes.
 - ABCC: We've both met with the ABCC Commissioner and attended the Security of Payment working group.
 - Committee on Industrial Legislation: National Office attended two COIL meetings this month to provide feedback about two sets of regulations necessary following the passage of the Omnibus Bill.
 - Attorney-General's Department: We have also had discussions with senior officials from the Attorney General's Department as part of ongoing advocacy for BCI specific Ensuring Integrity Scheme.
 - ASBFEO: Industrial Relations is also likely to be a key issue with the newly appointed Australia Small Business and Family Enterprises Ombudsman, who has flagged this issue during recent estimates hearings.
- **Keeping the IR Reform Flag flying**
 - We've been working hard to make sure Government doesn't forget that it needs to do more to fix the IR laws to help members, particularly in the residential sector and for smaller subbies. While ABCC is crucial, the broader IR system also needs lots of work. Not only have we been finalising future internal policy strategy, but we've continued to work closely with other key peak industry and small business groups to ensure we have a consistent and strong approach.
- **National Industrial Relations Advisory Committee** – One formal meeting of NIRAC was held on 1 April to discuss the new Casual NES. Out of session engagement with the Committee also continued throughout the month on pertinent issues as they arose.
- National Office will continue to agitate that deficiencies within FWC's EBA processes need to be resolved, including with respect to its "Agreements in Progress" page.
- The next round of policy committee meetings will all specifically consider and discuss how we can do more to help members in the residential sector with respect to IR/Contracts and WHS.
- A formal face to face NIRAC meeting to be held in Canberra will be scheduled for the coming months.

Jobs & Skills

- **Construction Industry Reference Committee (IRC)** – the IRC, which has carriage of construction qualifications and units in the VET sector, met on 20 April. The IRC agreed minor updates to plumbing and bricklaying units; will request a meeting to resolve removal of pre-requisites from two high risk licence units; agreed to extend the Qld Cert IV in Fire System Compliance; and had a heated discussion about developing silica awareness training.
- **PaTH Business Partnerships** – The National Office ran focus groups on 14 April with employment service providers, jobseekers and employers in Bunbury to understand local workforce needs, opportunities and barriers ahead of designing pre-employment training pilots. We were pleased to see established relationships between employers, jobseekers and support organisations in the Bunbury area.
- **Occupational Licensing** – the legislation to enable automatic mutual recognition of occupational licensing across state borders was introduced and passed the House of Representatives. It will now progress to the Senate.
- **White Card training** – Assessment requirements are being strengthened following concerns raised by Safe Work. Consultation closed on 19 April and the technical advisory group will convene shortly to discuss the findings.
- **Silica safety training** – The second meeting of the silica working group was held in early April. Disagreement between the CFMEU and MBA continued in relation to the need to develop an introductory unit on silica awareness. Following this the matter was discussed at the IRC, with members agreeing with MBA that an introductory unit is required. A procedural matter relating to an existing accredited unit is being clarified with the Skills Council.

Work Health & Safety

- **Office of Federal Safety Commissioner** – National Office attended another meeting of a working group facilitated by the FSC to discuss the publication of an OFSC Mental Health Mission Statement.
- **ASEA** – The National Office continued its close ongoing engagement with the Agency and support for its role as a central source of information on asbestos in Australia.
- **Standards Australia - Occupational Health and Safety Management** – Master Builders along with ACCI and the Institute of Engineers will prepare a project proposal to write a handbook to accompany AS/NZS 45001 for Australian businesses. We also voted in support of the ISO FDIS 45001 – Psych Guidelines – in a ballot held on 30th April, given the extensive involvement of our representative in development of these guidelines.
- National Office has reiterated the need to avoid confusion given the plethora of documents in circulation that deal with mental health in the workplace.
- We will also continue to hold discussions with OFSC regarding ongoing comms re: benefits of the OFSC Scheme and its previously foreshadowed review of the Scheme.
- National Office will continue its engagements as a key stakeholder and member of ASEA's Management and Removal Committee.
- Once the project proposal for an Australian Handbook to AS/NZS 45001 has been settled and submitted, interested parties will have the opportunity to provide feedback in advance of the project kicking off, likely towards the end of 2021.

- **Safe Work Australia** – April again saw the National Office continue to provide feedback on a huge amount of documentation and projects generated by SWA for consideration at the April 27th SWA Members' Meeting.
- **National Dust Disease Taskforce** – Master Builders participated in a meeting with member of the Australian Institute of Occupational Hygienists & Ors to discuss a response to the Taskforce's final consultation paper on 20th April.
- **World Day for Safety and Health at Work 2021** – To mark this day, the National Office organised some comms featuring previous National WHS Award Winners Scaffshield & Downer.
- **ACCI WHS & WC Committee** – Master Builders participated in a number of key meetings this month, with a focus on consolidating a consistent approach by employer groups in response to the Boland Review recommendations.
- **National Work Health and Safety Committee** – No formal meeting of NWHSC took place this month, however, out of session engagement with the Committee continued on pertinent issues as they arose.
- National Office has also arranged meetings with the Minister's Office to discuss the Commonwealth's position at SWA meetings as well as the upcoming State/Territory WHS Minister's meetings that will consider Boland implementation.
- National Office is preparing a submission following this discussion which will shortly be circulated amongst NWHSC before filing.
- National Office will continue to work with members and industry stakeholders to promote the good news stories of our members in terms of WHS.
- National Office is working with ACCI on its advocacy strategy ahead of the State/Territory WHS Minister's meeting to be held on 20th May.
- A formal face to face NCAC meeting to be held in Canberra will be scheduled for the coming months.



NATIONAL BUSINESS LEADERSHIP AWARDS 2021

NOMINATIONS ARE NOW OPEN

DOWNLOAD THE ENTRY FORM FROM OUR [WEBSITE HERE](#).

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MAJOR SPONSORS: InfraBuild, [Logo]

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MASTERS BUILDERS ASSOCIATION OF AUSTRALIA
Your Industry Specialists

WOMEN BUILDING AUSTRALIA

Women Building Australia (WBA) launches our Female Led Business Register.

WBA's Female Led Business Register aims to promote businesses that are owned or operated by women, and have females that can attend jobsites to assist vulnerable women that would prefer using female builders, or people who want to support women owned businesses or tradies.

www.womenbuildingaustralia.com.au/support-female-businesses

Participation at career expos has continued through April with booths at the Toowoomba Show on 18–19 April and the VCE and Careers Expo, Melbourne from 29 April–2 May.



KEY DATES IN MAY

Thurs 6 May	Policy Forum
	Board Zoom
Tues 11 May	National Office visit to MBNSW
	National Office visit to MBNCL
	Budget Night
Thurs 13 May	Finance Committee Zoom
	National Building Regulation Committee Meeting
Tues 25 May	EDs Zoom
Thurs 27 May	National Office visit to MBV
Fri 28 May	National Economics & Productivity Committee Meeting