

MEDIA RELEASE



25 June 2023

ACT Budget Should Back Builders For A Strong Economy

Economic conditions in the ACT are rapidly deteriorating prompting Master Builders ACT to call for the ACT 2023/24 budget to support a strong future pipeline of construction work in the Territory. With every dollar invested in the construction industry generating a three-dollar multiplier throughout the broader economy, Tuesday's ACT budget presents an opportunity to support an industry which is supporting the Territory's economy.

Master Builders ACT CEO, Michael Hopkins said, "In the 2021/22 year the ACT's budget relied on 57.7% of the total tax revenue coming from property-related taxes. This share has increased from 50.7% over ten years."

Mr Hopkins said, "Over the March 2023 quarter alone ABS figures show residential building has declined 9.6%, home renovation activity has declined 12.3% and non-residential building has declined 5.7%."

"The impact of decreasing building activity means that local building and construction businesses are facing a gap in their short and medium term pipeline of work, which will flow directly to the bottom line of the ACT budget in future years," he said.

Mr Hopkins said, "To ensure a sustainable local building industry the MBA is looking to Tuesday's ACT budget to deliver more housing, re-commitment to last year's promise to build \$6.4 billion of infrastructure over five years, and a significant invest in a local workforce to meet our future needs."

"The past three years have provided some of the toughest trading conditions in a generation for the 5,500 local small and family construction businesses that employ around 20,000 workers. The next ACT budget can assist local construction businesses by boosting dwelling construction, maintaining a strong pipeline of capital works and properly investing in trade apprenticeships to support the ACT's future economy," Mr Hopkins explained.

Mr Hopkins said, "The ACT Government has failed to properly fund trade apprenticeships over successive years, with carpentry and plumbing apprenticeships currently receiving the lowest level of government subsidy in the ACT compared with any other State or Territory."

"Government subsidies for many apprenticeships have not even increased in line with inflation effectively meaning apprenticeship supports are declining," he said.

Mr Hopkins said, "With calls from various sectors for increases in wages, why is the ACT Government expecting local training organisations to train more workers with less funding?"

"Such lack of support cannot continue if our local industry is to support the Government's urban infill and electrification policies, and infrastructure needs," he said.

Mr Hopkins explained, "The building and construction industry plays a vital role in the economy, and we urge the ACT Government to factor this into the 2023-24 ACT Budget by implementing strategies that will support our industry's growth."

“As we continue to move through a very volatile economic period, the ACT Government needs to support industries that will help drive strong economic growth,” Mr Hopkins concluded.

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Authorised by Michael Hopkins on behalf of Master Builders Association of the ACT.

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