

MAY 2024

NATIONAL OFFICE MONTHLY REPORT

FROM THE CEO

May is Federal Budget month. We undertook strategic advocacy positioning pre budget on our key issues that we had been pursuing since December last year including media engagement and Ministerial meetings. It was great to see a significant number of our asks were included in the skills and housing policy areas. Yet, we know that a focus in some areas, without corresponding attention in others like industrial relations, regulatory imposts, and general economic conditions results in an economy that continues to be impacted by high inflation and falling productivity, that is creating poor conditions for building activity.

Post budget we moved into federal election year phase with 12 months to go before the last possible date that an election can be held. Mindful that an election could well be called pre Christmas, we are preparing for that potential to ensure our publications that focus on evidence to reinforce our policy positions will be released and that we are undertaking activity with both major parties and the cross benchers in to influence their election commitments.



Calling all trailblazers in the building and construction industry!

Master Builders Australia is thrilled to announce the launch of the 2024 National Business Excellence Awards!

Whether you're a small, medium, or large business in residential, commercial, or civil/engineering sectors, if you've achieved exceptional success, we want to hear from you!

Join us in celebrating excellence in financial management, operations, customer service, business improvement, and corporate social responsibility.

Don't miss this chance to shine!

[Click here to express your interest now!!](#)

ADVOCACY

In May, the National Office responded to over 45 media queries and issued 10 media releases contributing to 389 unique (954 syndicated) news items across online, print, TV and radio. The coverage included 13 front page print and 34 front page online rankings and had a cumulative audience potential reach of 45.8 million.

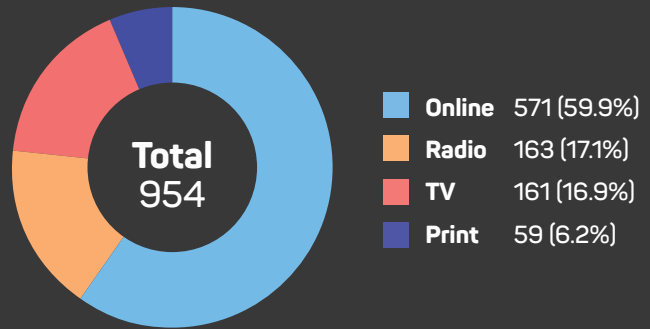
Federal Budget

Master Builders had several budget advocacy wins this month off the back of a targeted campaign to raise the awareness of workforce shortages in the industry. The National Office met with several ministerial offices and the Opposition to advocate for policies to address pressures in the industry.

Ahead of the Federal Budget, the Minister for Housing Julie Collins and Minister for Skills and Training Brendan O'Connor made several announcements aimed at growing the size of the building and construction workforce and increase housing supply.

The measures include:

- **\$1 billion directed towards crisis and transitional accommodation for women and children fleeing domestic violence, and youth under the National Housing Infrastructure Facility.** This includes increasing the proportion of grants for this investment from \$175 million to \$700 million in the Budget to be able to support crisis and transitional housing.
- **\$1 billion to for critical infrastructure.** Funding for states and territories to build the roads, sewers, energy, water and community infrastructure that we need for new homes and for additional social housing supply.
- A new **\$9.3 billion 5-year National Agreement on Social Housing and Homelessness** – for states and territories to combat homelessness, provide crisis support and build and repair social housing. This includes a doubling of Commonwealth homelessness funding to \$400 million every year, matched by states and territories.
- **\$62.4 million for additional 15,000 Fee-Free TAFE and VET places in construction** over two years from 1 January 2025.
- **\$26.4 million for approximately 5,000 places in pre-apprenticeship programs** in construction over two years from 1 January 2025.



The announcement of Fee-Free TAFE and VET places rightfully recognises the role of not-for-profit industry-led registered training organisations in training the next generation of tradies.

Off the back of these announcements, we held a Press Conference in Parliament welcoming the initiatives while voicing the importance of not downing tools just yet. You can read the transcript from the [press conference here](#) and our media releases [here](#) and [here](#).



On Budget night, the industry received a further boost to address workforce shortages with measures including:

- **Reimbursement for GTOs of up to \$1,500 per year, per apprentice** to allow them to reduce fees for those studying in the clean energy, manufacturing and construction industries.
- \$55.6 million over four years to establish the **Building Women's Careers Program**.
- An additional **\$265.1 million over four years in financial support for apprentices and their employers**. Apprentices and employers in priority occupations will receive an extra \$2,000 to \$1,000 respectively.
- \$1.8 million to streamline skills assessment for around 1,900 potential migrants from countries with comparable qualifications.
- Prioritise the processing of around 2,600 Trades Recognition Australia skills assessments in construction.

And other industry-related measures including:

- **Increasing the cap on the Government's guarantee of Housing Australia's liabilities** by \$2.5 billion to \$10 billion with an associated increase in the line of credit that supports the Affordable Housing Bond Aggregator of \$3 billion to \$4 billion.
- Work with the higher education sector on new regulation to require universities to **increase their supply of student accommodation** for domestic and international students.
- **\$7 million to help residential builders get accredited through the Office of the Federal Safety Commissioner** when applying for Housing Australia Future Fund funding.
- **\$6.2 million for peak industry bodies** to provide support and assist residential builders in obtaining accreditation under the Federal Safety Commissioner scheme.
- 12-month extension of the **\$20,000 Instant Asset Write-Off** for businesses with turnovers capped at \$10 million.
- \$19.7 million over six years to support housing research, fast-track **feasibility studies on the release of Commonwealth land** to support social and affordable housing.

We have worked closely with the government to make these policies a reality, especially around the role of GTOs and reducing barriers for skilled migrants to enter the industry. You can read our Budget media release [here](#) or a copy of our Federal Budget Analysis report [here](#).

Later that week the Opposition Leader delivered the Federal Budget Reply. The speech centred around the key issues including cost of living, housing and immigration. While the Opposition Leader noted that a Coalition Government would reduce permanent migration numbers, he thankfully acknowledged that this would not impact the ability to get the tradies we need. The speech also saw a commitment to raise and extend the instant asset write-off from \$20,000 to \$30,000, and the unwinding of recent industrial relations changes. You can read our press release [here](#).

Finally, the National Office hosted its monthly webinar to unpack all the announcements and what it meant for people in the industry. If you missed it, you can [watch it on demand here](#).

Economic environment

March and April building approvals data was released in May which showed another concerning decline in approvals despite high community demand for housing. Over the year to April, we have seen less than 163,500 new home building approvals. This means we need to see a 47 per cent in the volume of new home building if we have any chance of meeting the 1.2 million homes under the National Housing Accord. As always, the National Office prosecuted the challenges and solutions to the housing challenge in a range of media interviews and outlets. Our key message continues that in order to build the homes and supporting infrastructure we need we must reduce the time and cost of building. You can read our latest [release here](#).

The latest monthly inflation data showed a rise in inflation for the second consecutive month with rental inflation still proving to be too high sitting at 7.5 per cent. We used this opportunity to remind the Government on the role of the industry in bringing down overall inflation figures.

On the same day construction activity for the March quarter was released which showed all three sectors of the building and construction industry see a drop in output.

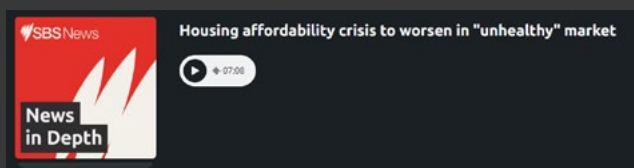
The decline comes as demand for new housing continues to grow, with residential construction dropping 1.2 per cent, civil construction down 2.1 per cent, and non-residential building dropping a concerning 7 per cent. You can read our [release here](#).



State of the Housing System report

The National Housing Supply and Affordability Council released its long-awaited State of the Housing System 2024 report. It should come as no surprise that the report acknowledges *the housing system's inability to supply sufficient housing that meets the population's needs [as] the primary reason for worsening affordability*. The National Office used this as an opportunity to promote the recent productivity report and to remind the Government that a lack of a holistic approach to across portfolios outside the housing portfolio is the biggest handbrake. You can read our [release here](#).

Listen here:



Partnering with the Australian Forest Products Association

Master Builders and the Australian Forest Products Association released a report on Budget day on the role of the timber industry in boosting housing supply. The report found that an additional 50,000 new homes can be built with the support of a range of policy proposals including:

- Derisking finance for building new homes
- Cutting red tape for building approvals to encourage more timber in construction
- Relocation stamp duty exemptions
- Encouraging greater take-up of modular and prefabricated timber dwellings with specifications that allow for economic builds and faster building approvals
- Providing measures to workforce capacity including, incentivised apprenticeship programs, immigration visas and upskilling/retraining current workforces

You can read the full release and report [here](#).



Industrial relations

There were a number of stories around the impact of union activity and proposed EBAs on the industry and broader economy. The Australian Financial Review reported a KPMG review of the Fair Work Ombudsman found the highly politicised nature of the industry including attacks from unions was a significant obstacle to its enforcement of workplace laws in the sector. Federal Circuit Court judge Salvatore Vasta raised concerns about public faith in the FWO after it dropped claims that a CFMEU organiser physically and financially threatened a site manager, despite employer witnesses giving evidence in a five-day trial and the FWO making final written submissions.

Kingston Reid industrial partner Steven Amendola said the FWO dropping the physical threat claim at the 11th hour called into question why other employers would make serious complaints against the CFMEU.

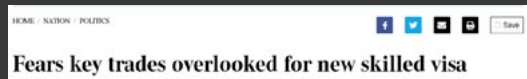
The National Office used this opportunity to call for an industry-specific regulator and argued how can we expect builders to stick their neck out and report unlawful union conduct and intimidation when there's a real risk of cases being dropped irrespective of evidence.



Migration

Master Builders publicly released its submission to the government's consultation of the skilled migration list. Disappointingly, a number of trades were left off the list and are on a 'maybe' list while the department consults on whether they should be included. This includes bricklayers, carpenters, and plumbers to name a few. Our submission was pitched as the exclusive to The Australian and later picked up by news outlets including the Sydney Morning Herald.

The proposed exclusion of some trades from the skilled migration list seems inconsistent with all the data that departments and government agencies are putting out that we've got such a massive shortage of trades. We will continue to advocate strongly in this area over the coming weeks.



Productivity report

Master Builders released new economic modelling on the impact of government policy measures on industry productivity and their effect on new home building, jobs and GDP. Master Builders commissioned the Centre for International Economics to look at government housing measures, prolonged labour shortages, materials price growth, and changes to industrial relations. It's important to note that this report takes a best-case scenario approach and has not explored the full extent of the recent industrial relations bills while we await finalisation of regulations.

The data found that while government housing initiatives would see 42,882 additional new homes built over five years, the challenges mentioned above reduce these gains to only 8,655 homes.

The report was pitched as an exclusive to The Australian and provided a good evidence base to support budget advocacy.



MBA warns of significant housing shortfall and economic impact

10 May, 2024

Housing targets 'unachievable under new IR'

CONSTRUCTION SECTOR WARNING

JOE KELLY
GLOFF CHAMBERS

EXCLUSIVE

Four out of five new homes that could have been built under Labor's housing policies will never see a shovel hit the ground, with fresh modelling showing that productivity-sapping industrial relations changes and volatile condi-

the need to abandon workplace laws holding back the construction sector.

There is also hope the upcoming budget will contain measures to address damaging labour shortages, including financial incentives for apprentices and measures to help migrants into construction jobs.

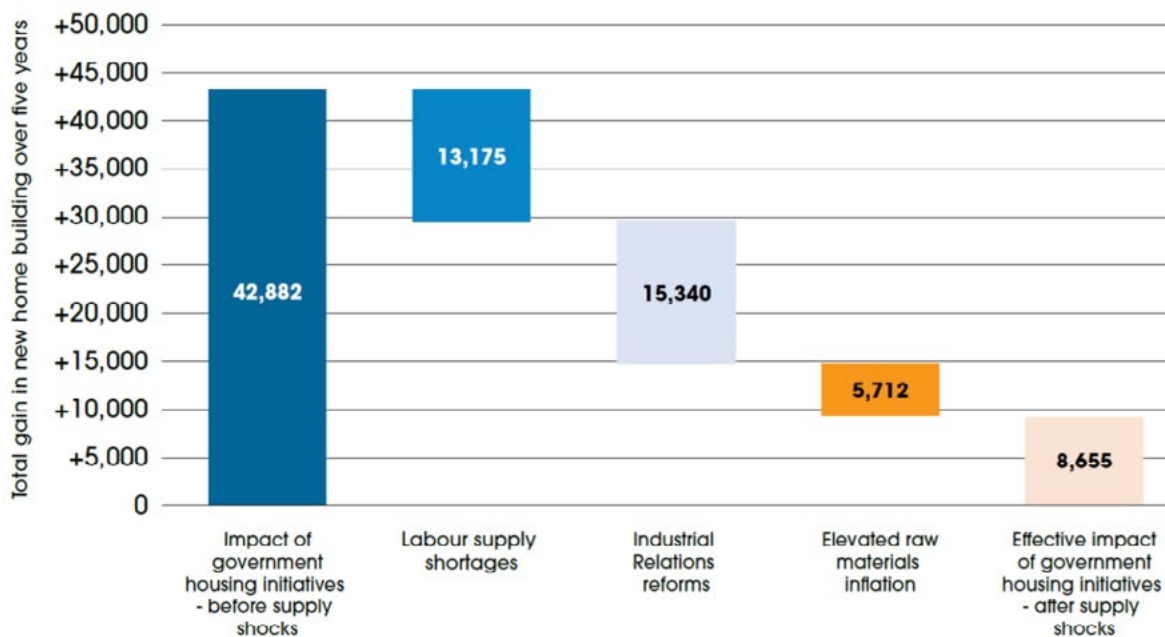
"For the building and construction sector to prosper, and if the ambition to deliver more housing

8655 - a reduction of more than 34,220 homes over five years or about 80 per cent.

They would also overwhelm the positive impacts of Labor's housing policies to deliver an \$8.3bn hit to construction output, the loss of 27,828 jobs and a \$44.7bn reduction in economic activity over five years.

Ms Wawn said this was a "best-case scenario" and such an outcome would "likely worsen when the full package of industrial relations reforms and current union-

How construction supply shocks erode the benefits of government housing policy initiatives



Source: Master Builders Australia analysis of the CIE research.

NATIONAL ECONOMIC DATA SNAPSHOT

NON-RESIDENTIAL BUILDING

April 2024

2,613 non-residential building jobs valued at \$4,668.5 million were approved in AUS.

\$1.8 million average value of non-residential building jobs approved.

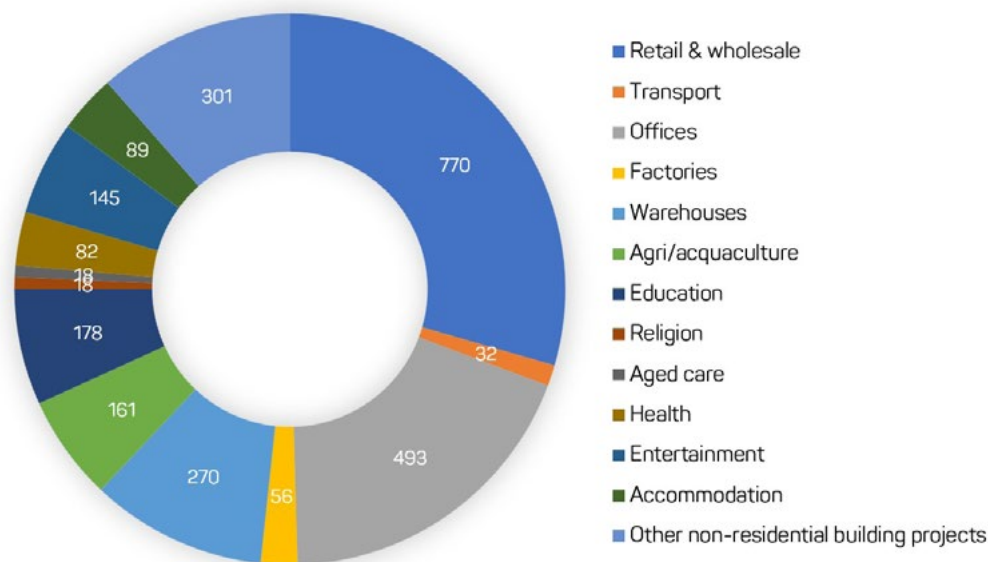
46.5% public sector share of non-residential building jobs approved.

Non-residential building jobs approved

Building Product Inflation %



1.3%
Year to
March 2024



CIVIL CONSTRUCTION

Civil construction work December 2023 quarter (\$m)

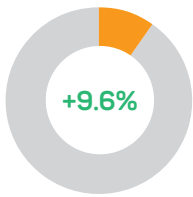


Civil works by activity, December 2023 quarter (\$m)

Activity	Started	Done	To be done
Bridges, railways and harbours	\$2,419.1	\$5,128.9	\$20,997.1
Roads, highways and subdivisions	\$9,464.8	\$8,079.7	\$33,410.3
Water storage and supply, sewerage and drainage	\$2,462.6	\$3,041.6	\$11,394.3
Electricity generation, transmission and distribution incl pipelines	\$5,262.8	\$6,493.2	\$16,339.0
Telecommunications	\$2,131.5	\$2,117.7	\$392.5
Heavy industry	\$5,446.4	\$8,628.9	\$36,308.2
Recreation & other	\$2,266.0	\$2,455.2	\$2,063.1
TOTAL	\$29,453.2	\$35,945.2	\$120,904.6

RESIDENTIAL BUILDING

House prices: year to May 2024



Capital city

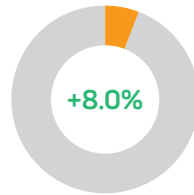


Regional markets

Unit prices: year to May 2024



Capital city



Regional markets

Rental price changes in Australia

+2.1%
During
Mar 2024
quarter



+7.8%
Over year to
Mar 2024

Building approvals: April 2024



13,357

Total new home
building approvals
+3.5%
change on
Apr 2023



8,951

Detached houses
+9.4%
change on
Apr 2023



4,406

Units/apartments
-7.5%
change on
Apr 2023



\$1,106.6 million

Home renovations
+24.7%
change on
Apr 2023

Residential building work – year to December 2023 quarter

COMMENCED NEW HOMES

164,005

All dwellings

99,953

Detached houses

64,052

Apartments/units

COMPLETED NEW HOMES

172,247

All dwellings

114,368

Detached houses

57,879

Apartments/units

New homes still under construction on 31 December 2023



226,036

All dwellings

89,490

Detached houses

136,546

Apartments/units

New homes approved but not yet commenced as at 31 December 2023



37,074

All dwellings

12,925

Detached houses

24,149

Apartments/units

Lending indicators: March 2024

2,541

Loans to owner occupiers for
construction of new home
-13.5% change on Mar 2023

2,048

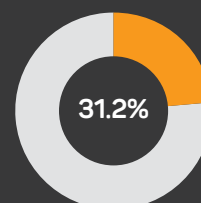
Loans to investors for construction
of new home
+10.3% change on Mar 2023

1,689

Loans to owner occupiers for
residential land purchase
-9.3% change on Mar 2023

1,059

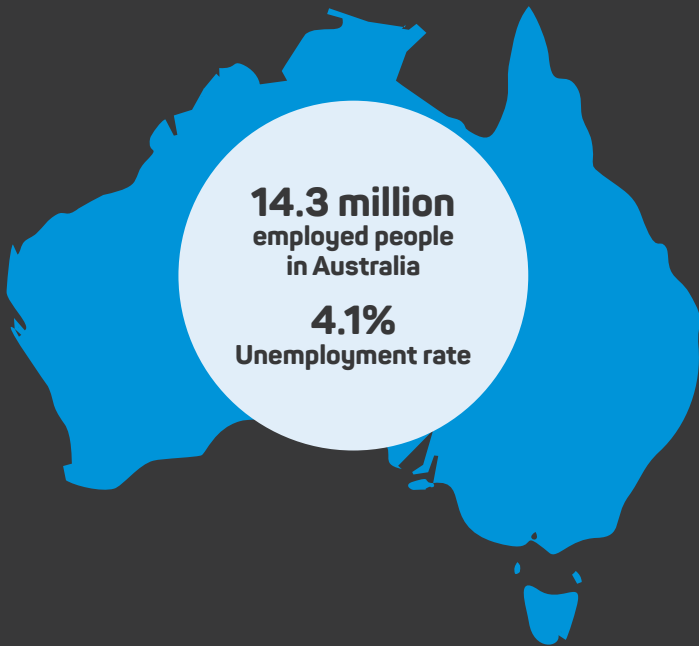
Loans to investors for residential
land purchase
+6.0% change on Mar 2023



First Home Buyers
share of loans

LABOUR MARKET

April 2024



CONSTRUCTION BUSINESSES

June 2023

444,319

Construction Businesses

Number of workers



258,503	0
179,629	1-19
5,954	20-199
233	+200

Turnover



20.5%
turnover >\$50,000

1.4%
turnover <\$10m

CONSTRUCTION WORKFORCE

February 2024



1,316,931

People employed in
construction in Australia

360,368

Resi/commercial
builders

139,511

Civil construction
builders

817,052

Resi/commercial
subcontractors



Of Australian
jobs are in
construction



Account for women
working in Australian
construction

CONSTRUCTION INDUSTRY APPRENTICES AND TRAINEES

September 2023

120,881

Construction apprentices in-training



42,333

New starts

21,814

Completions



Female share of construction
apprentice commencements



31,416

apprentice carpenters
in training



19,799

apprentice plumbers
in training

PRIORITY POLICY ISSUES

POLICY AREA	KEY ACTIONS	ISSUES PROGRESSING
<p>Building Regulation</p>	<p>Building Regulation</p> <ul style="list-style-type: none"> Standards Australia Pool Standard External above ground water proofing Requirements for membranes (internal and external) <p>NCC 20205 Public Comment Draft Review</p> <p>A Joint meeting of Building Regulation and Economic and Productivity national committees was held to discuss the scope of changes proposed in the draft NCC 2025. Max Rafferty is participating in forums with state/territory members to discuss the draft review.</p> <p>Prefabricated and Modular Construction</p> <p>Building Ministers have sought advice from the ABCB on regulatory options for this type of construction and are holding a series of industry workshops to inform this process. MBA is participating in these workshops. The Building 4.0 CRC has been engaged to develop proposals for the ABCB and are co-chairing these workshops with the ABCB.</p> <p>Climate Change Authority Targets, Pathways and Progress 2024 Issues Paper Consultation. This process is reviewing potential technology transition and emissions pathways to best support transition to net zero emissions. Master Builders submission to consultation is here for further information.</p>	<p>National Construction Code (NCC) 2025</p> <p>The public comment draft (PCD) of NCC 2025 was released on 1 May 2024 with submissions due 1 July. The key changes proposed for National Construction Code (NCC) 2025 relate to the following:</p> <ul style="list-style-type: none"> Commercial Energy efficiency EV Charging Provisions Fire safety for modern vehicles Condensation mitigation Waterproofing and water shedding Improved robustness of performance solutions – structural Improved robustness of performance solutions – fire safety Adequacy of public sanitary facilities <p>A number of regulatory Impact Statements have been released with the Public Comment Draft on the following:</p> <ul style="list-style-type: none"> Commercial energy efficiency – Consultation Regulation Impact Statement (RIS) Waterproofing and water shedding – Consultation RIS Condensation mitigation – impact analysis Female public sanitary facilities – impact analysis <p>ASBEC</p> <p>MBA is represented on three committees developing work and policy advocacy around</p> <ol style="list-style-type: none"> Embodied Carbon, Existing Buildings and Regulations, Codes and Standards. <p>MBA also participated in the Council meetings and encourages state/territory associations to participate in these meetings when they are held in your respective States/Territories.</p>

Contracts

Master Builders Tasmania - Address to Commercial Sector Committee

On 7th May, the National Office was pleased to participate in a meeting of the Master Builders Tasmania Commercial Sector Committee. The purpose of our participation was to provide an update on recent changes to the AS 4000 contract and recently revised policy position on Security of Payment. It was a great opportunity to delve into these important subjects and receive feedback direct from commercial members.

- Opportunities like these are extremely valuable to the National Office staff and we're more than happy to participate in any forums run by Member Associations.

Standards Australia – General Conditions of Contract Review

In March this year, following a lengthy review process, a draft AS 4000:2024 – General Conditions of Contract, was released for public comment.

On 29th May, following consultation with NCAC, the National Office filed its feedback with Standards Australia. The feedback provided was very useful and raised many valuable issues relevant to the contract and its operation in practice.

Given the narrow scope of the Standards Australia review, the feedback was triaged and consolidated to ensure comments would be accepted by the Review. Other comments that may have fallen out of scope remain extremely valuable and we have undertaken to raise these during the next Technical Committee Stage as it reconvenes to consider all public comments.

- The National Office is a member of the Standards Australia Technical Committee, which will reconvene on 20th June to review the public comments received.

ABIC on-line delivery project

Work on this matter has continued to edge closer to completion, with a view to having the suite available in a more contemporary form by the end of 2024.

- If agreed, the project will commence with a pilot of the Simple Works Commercial Contract in the coming months, with a view to the remaining suite being available on-line in the latter part of 2024.

National Contracts Advisory Committee

While the NCAC did not meet formally this month, as noted above, the Committee devoted significant time out of session to consolidate its position as part of the AS-4000 public consultation phase.

- The National Office will convene a meeting of the Committee in the coming months as further work progresses.

Economy & Productivity

The **National Housing Supply & Affordability Council** launched its *State of the Housing System Report*. This is the first report to be produced nationally by the Federal Government appointed Council. It provides an overview of the Australian housing system, assesses demand and supply conditions, affordability, tenure, age and income and assess the long- term housing outlook. It identifies the same challenges as Master Builders – supply is insufficient and capacity pressures need to be addressed. A copy of the report is [here](#).

Master Builders has participated in consultation on proposed Directions for the **Help to Buy Scheme**. Master Builders has proposed inclusions of contingencies for qualified project variations to deal with unforeseen circumstances around contract, mortgage and timeframe requirements. Draft legislation for the Scheme is currently in Parliament.

Master Builders released its **Cost of Letting Productivity Slip** annual report the week before Budget. It will be produced annual over the next few years assessing the positive and negative impacts on the industry are affecting productivity. The focus of the report was on the impact of labour shortages, materials cost pressures and industrial relations will result in only 20% of the governments housing commitments being delivered. Our report is available [here](#).

Members of the National Economics and Productivity Committee had a briefing on the **regulatory impact statement for energy stringency requirements** for commercial buildings proposed in the draft 2025 NCC. The focus of discussion related to fire hazards and other challenges associated with EV charging requirements.

The Federal Government announced the release of its **Draft National Urban Policy** for public consultation, available [here](#). It outlines the Australian Government's goals and objectives to enable our urban areas to be liveable, equitable, productive, sustainable and resilient. The Policy includes a shared vision for sustainable growth in our cities and suburbs, that has been committed to by all Australian Governments. Master Builders will be making a submission to the consultation process.

Consultation on the Federal Governments Draft [National Urban Policy](#) is underway with submissions due 4 July 2024.

Master Builders will be making a submission to consultation.

Master Builders has commissioned work on Federal Government housing taxes to update previous analysis on the impact of these taxes on the supply of housing and the economy.

Master Builders continues to participate in a Treasury Working Group on housing investment and delivery of Accord targets. The group will be consulted on three priority areas: speeding up planning approvals, potential review into construction sector bottlenecks and technologies that can ease them, identifying priority reforms to migration to attract more skilled construction workers.

The first round of the Federal Government's [Household Energy Upgrades Fund](#) is open. The Clean Energy Finance Corporation through lender Plenti will support cheaper finance for battery-ready solar PV, home batteries and other energy efficiency upgrades with interest rate discounts of up to 2.74 per cent annually. Applications are open until 5 June 2024.

Industrial Relations

MISSING: LOOPHOLES REGULATIONS ! REWARD OFFERED !

NAME: The Fair Work Act Amendment (Closing Loopholes) Regulations

AKA: "Loopholes Regs"

MISSING SINCE:
26 February 2024

DESCRIPTION:
Despite its parent legislation being made many months ago, we have still no word on when the Regulations underpinning the Closing Loopholes laws will be published – or where they even are!

LAST SEEN: Unconfirmed reports suggest the Regs were last spotted lurking near the Parliamentary drafting division in the Department of Employment.

REWARD: Anyone with information leading to the Loopholes regs being found will receive a signed copy of the Final Report of the 1992 Royal Commission of Inquiry into Productivity in the Building Industry in New South Wales!

- Normally, the National Office is very happy to see a lack of regulation – but in this case the lack of detail is particularly frustrating!
- The regulations are proposed to contain many key parts that are necessary to fully understand how the changes will work in practice.

Committee on Industrial Legislation

As part of our membership of the Committee on Industrial Legislation ('COIL'), the National Office has participated in two separate consultations on proposed changes to Fair Work Act regulations on the 16th and 31st May.

As these regulations have yet to be made, we are bound by confidentiality deeds and can't reveal the substance of the drafts about which we were consulted. What we can say, however, is that on both occasions our feedback adopted a Star Wars theme, noting that *"these weren't the regulations we've been looking for..."*

- Master Builders is a member of the Committee on Industrial Legislation ('COIL'), which is a sub-group of the National Workplace Relations Consultative Council. The COIL will consider drafts of the regulations prior to publication, enabling us to get a 'heads up' about their content prior to publication.

Alice Springs Loopholes Seminar

On 2nd May, the National Office delivered a seminar to members of Master Builders Northern Territory in Alice Springs. Covering a wide range of the key changes under the Loopholes laws, it was pleasing to see a range of attendees asking lots of questions about how the changes would affect them and their workplaces. Following a tip-off, a search of the nearby Todd River was held and revealed evidence of a 'Regatta' – but sadly no sign of missing Loopholes regulations.

- Despite missing key regulations, the National Office is happy to assist Member associations in briefing members about the changes to IR rules under the recent Loopholes Laws amendments to the Fair Work Act.

Australasian Wire Association Seminar

On 21st May, the National Office attended a conference of the Australian Wire Association and provided a presentation about the Closing Loopholes changes to industrial relations laws. The Australasian Wire Industry Association is a non-profit organisation formed by companies involved in the manufacturing sector to support the long-term development and prosperity of the wire industry throughout the Australian, New Zealand, Pacific and South East Asian region. Members of the Wire Association are key players in building and construction and are as equally affected by recent IR changes as traditional building and construction.

Budget Lock-up

The National Office attended the traditional Budget Night lock-up at Parliament House on 14th May, spending three fun-filled hours locked in a room with like-minded numbers enthusiast ploughing through hundreds of pages of 2024-25 Budget information.

The lock-up is a key part of the budget process, enabling key stakeholders to be briefed about key parts in the Federal Budget in the hours before it is publicly released. During this time, the National Office was able to prepare a short briefing to form an immediate summary of key budget information and initiatives relevant to building and construction. Following the lock-up, the briefing was released to members along with more detailed analysis for each policy committee.

On 17th May, a post-Budget briefing webinar took place featuring Denita "Natalie Barr" Wawn and Shaun "Shirvo" Schmitke giving a rundown of key budget measures and commentary about what they meant for building and construction.

- We look forward to continued engagement with the Wire Association and its members (and can confirm that the missing Loopholes Regulations are not located in Oakleigh, Victoria.)
- The National Office is closely following the current round of Additional Budget Senate Estimates, where the fine detail of budget announcements is being thoroughly interrogated by both Government and Opposition Senators.

Fair Work Ombudsman – Building & Construction Industry Reference Group

The CEO and Deputy CEO attended a meeting of the FWO Building and Construction Reference Group, which is an industry/sector specific collaborative forum convened by the Fair Work Ombudsman to provide advice and information relevant to the FWO's work in the building and construction sector.

Attended by a wide range of key industry organisations representing both business and workers, the meeting canvassed a range of issues and considered future items for work and discussion. Chief amongst issues raised was the need to ensure the building and construction labour force, current and future, meets the necessary levels needed for a successful and sustainable future.

FWC Enterprise Agreement and Bargaining Advisory Group

- The National Office attended this month a meeting of the Fair Work Commission's Enterprise Agreement and Bargaining Advisory Group. The role of the EAB Advisory Group is to provide direct feedback to co-Chairs DP Hampton and DP Masson on relevant procedural matters within the Commission, as they relate to EBAs.

National Industrial Relations Advisory Committee

- As part of its regular bi-weekly catchups, NIRAC met on the 3rd and 17th May to discuss the raft of FWC matters on foot and for a 'round the grounds' update on State/Territory developments.

- The Reference Group is planned to meet on a quarterly basis for at least the next twelve months.

- As a sitting member of the EAB Advisory Group, MBA will continue to work with the Commission to ensure the best outcomes possible are achieved for members.

- Ongoing consultation with the Committee, as well as the members they represent, is key, particularly as the government continues its 'implementation phase' of the various elements of the Closing Loopholes Bill.

FWC matters

Annual Wage Review ('AWR') 2023-24 Decision handed down

On the 3rd June, the Fair Work Commission published its Annual Wage Review decision. The Expert Panel conducting the review determined that modern award wages will be increased by **3.75 per cent**.

All modern awards will be varied on **1 July 2024**, making the 3.75 per cent increase effective from the first full pay period thereafter.

The decision can be found [here](#).

Variation of Modern Awards to include a Delegates Rights Term

Members may recall this matter deals with variations in all Modern Awards to give effect to standardised clauses arising from the passage of the Closing Loopholes Bill.

Master Builders made further submissions this month in response to a draft model term proposed by the Commission. Our submissions were largely supportive of the draft, as it broadly reflected the position of MBA.

C14 Rates Review

As members may recall, the FWC has now issued provisional views on all relevant awards (including the Joinery Award) to place limitations on the application of C14 rates. The substance of the Commission's decision was that there should be a restriction of three months upon the period during which an employee may be classified at Level 1. MBA will make further submissions upon the publication of draft determinations.

Modern Award Review 2023-24

These various proceedings, including Job Security and Making awards easier to use, remain ongoing.

Variation of modern awards to include a right to disconnect term

Recent changes to the FW Act now require the Fair Work Commission to insert a right to disconnect term into all modern awards by 26 August 2024.

The Commission is also required to make written guidelines about how the right to disconnect will operate.

The Commission has started the process to create the right to disconnect term and guidelines, publishing an audit of relevant modern award terms. The parties then filed this month preliminary submissions, with submissions in reply due on the 11th June.

- Once draft determinations for the Construction Awards are published, the National Office (in consultation with NIRAC) will review the drafts to check for any errors or discrepancies. The Committee will then commence work in preparing member circulars to incorporate relevant changes to wage and allowance rates in light of the decision.

- The FWC is due to hand down a decision shortly, as all Modern Awards must be varied by 1 July 2024.

- We are currently awaiting the FWC to publish a final decision along with relevant determinations.

- The FWC has yet to publish any substantive decisions as part of this review.

- Master Builders will continue its close engagement in all relevant Fair Work Commission matters to ensure the best interests of our industry are strongly represented

Jobs & Skills

There were multiple wins in the 2024-25 Federal Budget for workforce and skills. Among them were:

- \$88m over three years to deliver 20,000 more fee-free TAFE and industry RTO training places.
- \$2.6m over three years to prioritise skills assessments through Trade Recognition Australia for migrants skilled in construction.
- \$55.6m over four years to build women's careers in male dominated industries like building and construction.
- \$265.1m across four years for apprentice and employer support. This comes in the form of incentive payments of:
 - \$3,500 in year one for apprentices and \$1,500 in year two
 - \$2,000 at six months for employers and \$3,000 at 12 months.
- \$27.7m over four years to improve tertiary collaboration, including piloting functions for ASQA to allow TAFEs to self-accredit.

Master Builders has engaged heavily with the Strategic Review of the Australian Apprenticeships Incentive System, lead by Justice Iain Ross and Ms Lisa Paul.

Master Builders made two submissions to the consultation. The first detailed an overall proposal for a new incentive system that was slightly different depending on the type of apprentice to which it applied (i.e. a junior apprentice or an adult apprentice).

The second submission called for more government investment in Group Training Organisations and highlighted the benefits the Master Builders GTOs provide to apprentices, employers and parents.

Master Builders Newcastle Apprentices hosted Justice Ross and the National Team at their offices in early May to talk about the GTO model and how to incentivise more people into building and construction apprenticeships. This was a huge success – thank you to Master Builders Newcastle for your hospitality.

Master Builders has met with Jobs and Skills Australia multiple times to discuss the Core Skills Occupation List consultation and the disappointing process through which comment has been sought. Master Builders made a strong submission to the consultation that made it clear – all trade and trade related occupations must be on the List, without exception.

Master Builders attended Sydney Build in early May and presented at the Women in Building and Construction networking event alongside others from the industry who work in this space. The session was a success and had a large number of participants in attendance.

- Master Builders will continue to engage with Minister O'Connor's office regarding jobs and skills policy, as well as how to bring more women into building and construction.
- An updated Workforce Blueprint will be released by Master Builders by early July as well as another quarterly State of the Industry update, once June figures are released.

Work Health & Safety

WHS Ministers' meet to finalise prohibition on the use of Engineered Stone

The Commonwealth, State and Territory WHS Ministers met on 10th May to discuss a range of WHS and workers' compensation-related matters. A copy of the Communique released following the meeting can be viewed [here](#).

Key items on the agenda for the BCI were:

- Endorsement of the model regulations that underpin the prohibition on the use of engineered stone;
- Enhanced regulations of (other) crystalline silica substances; and
- Consideration of the Asbestos and Silica Safety and Eradication Agency's Asbestos National Strategic Plan 2024-2030.

Next Steps:

In terms of the prohibition on the use of engineered stone:

- Ministers endorsed proposed amendments to the model WHS Regulations and affirmed that the prohibition will take effect on 1st July 2024;
- SWA has now request that the Parliamentary Counsel Committee ('PCC') finalise amendments as soon as possible;
- PCC will then provide the final instruments to the Chair of SWA, who will then in turn provide these to WHS Ministers for implementation in their own jurisdictions;
- At this time, the amendment instruments will also be published on the SWA website;
- This will initiate the process for each State and Territory to commence making regulations in their own jurisdiction, giving these changes legislative effect (and therefore becoming law); and
- A change to the law is relevant as it will trigger commonly used contractual clauses that may allow for variations.

In terms of the transition question:

- The Communique noted that some jurisdictions will provide a transition period to allow certain work with engineered stone to continue until 31st December 2024; and
- Information on jurisdictional transition arrangements will be published on SWA's website [here](#).

- The SWA website contains information on whether each State and Territory will have transitional arrangements (for those contracts entered into before the 31st December 2023) and includes links to any relevant materials.
- As at the time of writing (and according to SWA) the official jurisdictional positions on transition arrangements are as follows:
 - Commonwealth – Information to come;
 - NSW – Information to come;
 - QLD – Will not have a transitional period;
 - SA – Will have transitional arrangements between 1st July 2024 and 31st December 2024;
 - VIC – Will not have a transitional period;
 - ACT – Will not have a transitional period;
 - WA – Will have transitional arrangements between 1st July 2024 and 31st December 2024;
 - NT – Will have transitional arrangements between 1st July 2024 and 31st December 2024; and
 - TAS – Information to come.
- We are closely monitoring SWA's website for further updates, however, strongly recommend members do same to ensure they have the latest information in your respective jurisdictions.

On **other regulatory work to give effect to the prohibition:**

- The Communique also noted that amendments will be made to the model WHS regulations to include:
 - A notification framework for working with legacy engineered stone products to ensure that the removal, disposal, repair or minor modifications to legacy products is managed safely; and
 - A more stringent exemption framework to provide a process to exempt engineered stone products from the prohibition in exceptional circumstances where there is compelling evidence that a product can be worked with safely.
- Ministers noted SWA's advice on sintered stone and that any emerging evidence of health risks associated with processing sintered stone and other alternative products will be considered as part of a review of the operation of the prohibition to be completed by 31st July 2025.

Other silica-related developments

At the May meeting, WHS Ministers also agreed to:

- Amendments to the model WHS Regulations to give effect to enhanced regulation of Crystalline Silica Processes. These will apply to work on sintered stone and porcelain products, in addition to a range of other processes in industries such as tunnelling and quarrying (and are intended to come into effect from 1st September 2024);
- Prohibit uncontrolled processing of Crystalline Silica Substances within the workplace and requirements for PCBUs carrying out High Risk Crystalline Silica Processes (also as of the 1st September 2024).
- Revoke the existing Model Code of Practice: *Managing the risks of respirable crystalline silica from engineered stone in the workplace* and take the required steps to revoke the code as implemented in their jurisdictions (noting that duty holders should refer to their relevant WHS Regulator for the status of adopted codes from 1st July 2024);
- The development of a new model Code of Practice to reflect the prohibition and WHS requirements (noting that in the interim, SWA will publish updated guidance to assist in complying with the new regulations).

- In consultation with NWHSC, the National Office will continue to engage with SWA regarding the detail of the other work underway and will provide regular updates to the Committee as work progresses.

MBA attends inaugural Employers National WHS Summit

- On 8th May, MBA attended the inaugural National Employers' WHS Summit. The event was an important opportunity for employer associations and key members alike to discuss important WHS issues. These included; psychosocial hazards, SWA's National Return to Work Strategy; exploring WHS impacts on the work of the future and; regulatory changes with respect to airborne contaminants.
- Attendees also engaged with State/Territory WHS Regulators as part of a panel discussion on priorities, challenges and inspectors' focus areas.
- The NEWHS Forum will continue to be an important group as MBA continues to work with industry stakeholders on a raft of WHS matters.

Meeting with SWA CEO

- On 13th May, the National Office had a one-on-one meeting with the CEO of Safe Work Australia, Marie Boland, to discuss its priorities and how MBA can continue to work productively with the agency for the benefit of members.
- Under Ms Boland's new tenure, MBA will continue its direct engagement with SWA with a view to further focussing the agency's priorities on initiatives that deliver real safety outcomes for industry.

Meeting with ASSEA CEO

- On the 10th May, the National Office also met with the CEO of the Asbestos Silica Safety and Eradication Agency's ('ASSEA'), Jodie Deakes.
- At the meeting, Master Builders commended Ms Deakes on ASSEA's practical work to date and provided direct feedback on its draft Silica Strategic Plan.
- With its new responsibility for silica, Master Builders will continue to work with ASSEA as it implements its new Strategic Plan and related work.
- In addition to our place on ASSEA's non-government advisory committee, we will continue to advocate for a place on its reconstituted Council.

Safe Work Australia ('SWA') SIG-WHS May Members Meeting

SIG-WHS Members met this month to discuss a raft of important items, including;

- Proposed changes to the primary duty care under the Model WHS laws;
- Updates to the Model Psychosocial Code of Practice;
- New guidance on managing the risks of rooftop solar installation work;
- A potential new Code of Practice for Elevating Work Platforms ('EWPs'); and
- A proposed project for SWA to develop a data-set of work-related suicide.
- Given its full work-plan, including the plethora of silica-related reform, it is crucial that the National Office remains closely engaged with SWA as it progresses its significant proposed changes and WHS reform.

National Work Health and Safety Committee

- The NWHSC did not meet formally this month, however, we continue to consult with the Committee on WHS-related matters out of session.
- A further meeting of the Committee will be scheduled in upcoming weeks.

OFSC engagement

HAFF-related issues

The OFSC has published on its website [Guidance for residential builders/head contractors](#) applying for Housing Australia funding under the Housing Australia Future Fund Facility ('HAFFF') or the National Housing Accord Facility ('NHAF').

The guidance has been developed in recognition that HAFFF projects may in some situations trigger jurisdictional coverage of the Government's WHS Accreditation Scheme ('the Scheme') requiring accreditation for residential builders. There have been concerns that this cohort is unlikely to have existing accreditation and be unfamiliar with the requirements of the Scheme.

The National Office has engaged with relevant Ministers (both IR and Housing) to consider ramifications of the issue and met with the Federal Safety Commissioner to discuss proactive solutions.

As a consequence of our interactions with Government, and in addition to publication of the OFSC's guidance materials, the recent budget papers contained measures to:

- Increase funding of the OFSC by \$7.0 million over three years to provide targeted assistance to residential builders seeking to obtain accreditation under the Scheme;
- Consider options to fast-track accreditation and streamline internal OFSC accreditation processes; and
- Provide \$6.2 million over two years from 2024–25 to support building industry peak employer associations to assist residential builders in obtaining accreditation under the Scheme.

Meanwhile, on 21st May the IR/Safety/Contracts team provided a briefing to the National Economics and Productivity Committee on related OFSC/HAFF matters.

Scaffolding Roundtables

The National Office has continued its close engagement with the OFSC, including participation in the next tranche of Scaffolding Roundtables, held in Melbourne on 29th May. The meeting was attended by key stakeholders and members and sought to address the concerning and ongoing trend of scaffolding non-compliance.

- Another Scaffolding Roundtable is scheduled for 13th June in Sydney. At the completion of the NSW event, the OFSC will prepare a report making a number of recommendations which will seek to address the ongoing issue of scaffolding non-compliance.
- We will continue to work closely with the OFSC with a view to supporting members in achieving improved levels of safety across the sector.

WOMEN BUILDING AUSTRALIA

At Women Building Australia (WBA), our commitment to advocating for, promoting career opportunities, and nurturing inclusivity for women in the construction industry remains steadfast. Here are some highlights from the past month.

WOMEN BUILDING AUSTRALIA MENTORING PROGRAM

Throughout April, our 2024 Women Building Australia mentoring program continued to progress. Initial surveys were conducted, with the survey period closing on April 25, 2024. We achieved a response rate of 67.2%, indicating strong engagement within our mentoring group. Analysis of the initial survey results will be completed in May and will be included in the June monthly report.

WOMEN BUILDING AUSTRALIA FEMALE-LED BUSINESS REGISTER

The WBA female-led business register saw continued growth, with 112 businesses now listed. Our engagement with the industry remains active, including discussions with key insurance builders and government infrastructure entities to integrate registered businesses into their procurement systems.

FUNDING SOURCES FOR WOMEN BUILDING AUSTRALIA

Following confirmation from the Office for Women that funding for programs under the Women's Leadership and Development program, including Women Building Australia, has ceased, we are exploring alternative funding avenues. WBA is currently reviewing funding opportunities outlined in the federal budget, such as the National Women's Alliances Grant Opportunity and the Building Women's Careers Program an initiative that aims to support women in achieving high-paying careers in traditionally male-dominated industries like construction. Additionally, we have initiated discussions with key private sector organisations to secure funding for Women Building Australia.

Stay updated on WBA's latest updates, events and initiatives by following us on social media:



KEY DATES IN JUNE

- | | |
|----------------------|--|
| TUES, JUNE 18 | Casual Dinner - Brisbane |
| WED, JUNE 19 | Policy Forum - Brisbane
National Board Meeting - Brisbane |
| FRI, JUNE 14 | Fortnightly IR Catch-Up (TEAMS) |
| FRI, JUNE 28 | Fortnightly IR Catch-Up (TEAMS) |