

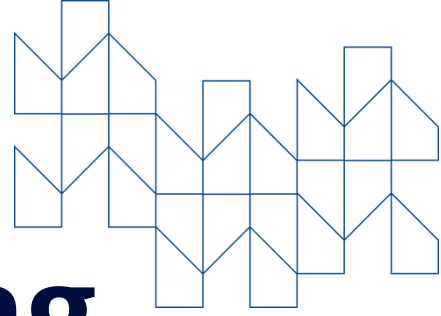
Master Builders ACT 2024 Election Priorities



MASTER BUILDERS
AUSTRALIAN CAPITAL TERRITORY

**8 Essential
Priorities
to Build
the ACT**

Core Building Group and Art Group, Kashmir, Dickson ACT



The ACT building industry is at a critical crossroads.

We have a sector that continues to face many economic and businesses challenges, and critical support is needed from the ACT Government to ensure that our building and construction industry can thrive.

The latest Master Builders Australia estimates show that new dwelling starts in the ACT will reduce by 15.6% by the 2025-26 Financial Year. With the ACT set to fall well short of National Housing Accord targets, and with consumer confidence down, a boost to the building sector is urgently needed.

Master Builders ACT will engage with candidates across the five ACT electorates of Brindabella, Ginninderra, Kurrajong, Murrumbidgee and Yerrabi.

As part of this, we have outlined eight 'do now' priorities which will strengthen the building and construction sector in the ACT, and ultimately deliver for Canberrans who vote and pay tax here.





1

A major boost for apprenticeship and training support

A focus on people, training and growing our trades is urgently needed.

There is a chronic lack of funding to support apprentices and trainees, including employer incentives.

Jobs and Skills Australia lists all 18 construction trades in the ACT as being in shortage. Master Builders ACT is calling for political parties to substantially increase support for apprenticeships and training, and has welcomed the move by the ACT Labor Party to increase the training subsidy available for apprentices in the ACT to 90%.



2



Back Canberra builders and subcontractors on Territory-funded projects

Changes need to be made to ensure that Territory-funded works are being completed, where possible, by ACT-based construction businesses.

In particular, the introduction of the Secure Local Jobs Code in 2019 led to a 26% reduction in construction companies being eligible to tender for ACT Government contracts.

Master Builders ACT has also identified that the Secure Local Jobs Code places a preference on 'union-led' contractors. Clauses 14, 15 and 16 of the Code must be amended to level the playing field for ACT's local contractors and suppliers.



3

Deliver the right kind of land and planning

Affordable, available and shovel-ready land is urgently needed now so that more homes can be built in the ACT to address the housing shortage and meet National Housing Accord targets.

Additionally, a variety of different land types should be identified and made available for development and varied use. The latest land release program comes after one of the lowest releases in years, at 1,883 dwellings for the 2023-24 financial year.

Master Builders ACT recommends that a fast-tracked planning process for small building projects is needed, which is geared toward meeting National Housing Accord targets.



4

Continue to clean up the unions

The work to clean up unions, including those operating in the ACT, must continue in order for industry to thrive and be a safe place to work.

Unions act as a conduit for important matters relating to a worker, such as industrial relations, health and safety. However, with recent revelations about alleged nefarious conduct by the CFMEU across all Australian states and territories, it is evident that significant, lasting change is needed.

Master Builders ACT applauds the Federal Government for its swift placement of the CFMEU into external administration. Work must continue, with the full support of government, to ensure lasting cultural change.



5

Review the Reviews

Recommendations from Building Reviews conducted in 2010, 2015 and 2018 are yet to be implemented in a substantive way for the building and construction sector in the ACT.

Master Builders ACT supports those recommendations that have resulted in changes occurring, such as the announcement to introduce trade contractor licensing in the ACT.

Master Builders ACT continues to call for those outstanding recommendations to be implemented, including compulsory professional development for ACT builders.



6

Turbocharge public infrastructure projects

The ACT Infrastructure Plan is a good start, but we need to be more ambitious for the ACT.

Master Builders ACT recommends that a longer-term infrastructure plan that sets out a range of small, medium and large projects is needed. This will provide a solid pipeline of work for local construction businesses, deliver much-needed infrastructure for Canberrans and help sustain the industry over the next 20 – 25 years. The plan must include projects for ACT businesses of all sizes, and can draw on both ACT and federal funding.



7

Deliver a business support package for small and family-owned businesses

There has been a remarkably high number of builder insolvencies in recent times, and this has included some high-profile building companies tasked with delivering critical ACT Government projects.

It is essential to stabilise the sector with a dedicated support package to assist the sector navigate the volatile economic conditions, with a particular focus on supporting small and family-owned businesses in the Territory.

This should include financial and cashflow management advice, and specific development programs for family-owned builders.



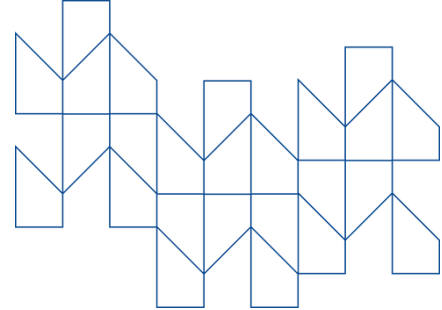
8

Protect our builders by reviewing and removing nominee liability

The current level of personal liability being placed on licenced builders has gone too far.

This needs to be urgently reviewed so builders can enact retirement plans and transfer liabilities with businesses, not individuals.

ACT Builders: Fast Facts



The ACT construction industry employed **16,785** people during May 2024, directly accounting for **1 out of 14 full-time jobs** in the ACT economy.



18.9%

of active businesses in the ACT are construction businesses.



1 in 5

ACT construction businesses have less than \$50,000 annual turnover.



4,100

new home builds were commenced in the year to March 2024 in the ACT.

Members of Master Builders ACT directly employs about **1 in 12 workers** – close to 20,000 people as at December 2023.

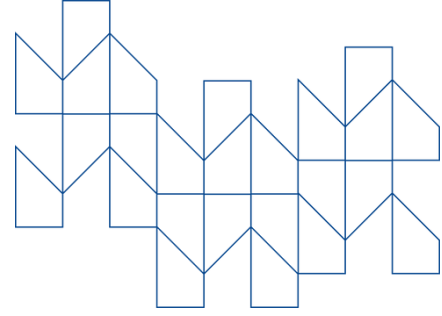
Master Builders Australia estimates that the ACT will need **7,000 more workers** in the construction industry by November 2026.

The ACT construction industry has more businesses than any other part of the local economy. Latest figures show that **6,621 construction businesses** were operating on 30th June 2023, an 18.9 per cent share of the 35,089 active businesses in the ACT.

The vast majority of businesses are small in size: **98.5 per cent have less than 20 employees** while over half (53.6 per cent) have no employees at all.

One half of the ACT's construction businesses turn over **less than \$200,000 per year**, with almost one in five (18.6 per cent) bringing in less than \$50,000 annually.

The ACT's construction industry employed **16,785 people** during May 2024, directly accounting for 1 out of 14 full-time jobs in the ACT economy.



ACT Builders: Fast Facts (cont.)

Full-time earnings average **\$102,500 per year** in the construction industry.

Construction is the **fifth -largest provider of jobs** in the ACT.

Relative to GDP, construction is the **fourth largest sector** of the ACT economy and directly accounted for **6.5 per cent of economic activity** during 2022-23.

During 2023-24, **\$4.31 billion** worth of building and construction activity was performed across the ACT.

The year to March 2024 saw work start on over **4,100 new homes** in the Territory.

About **\$800 million worth of civil construction project activity** was also carried out in the ACT during 2023-24.

During 2022-23, the majority of taxation (**55.7 per cent**) paid in the ACT was property-related and it totalled **\$1.44 billion**.

During 2022-23, ACT construction businesses paid out **\$1.28 billion in wages**. This represents a **9.3 per cent share of total wage income** in the Territory.

Master Builders Australia projects that work will begin on about **19,100 new homes** in the ACT over the next five years. This is short of the 21,000-home target under the National Housing Accord.

Overall, we anticipate that **\$19.2 billion of construction work** will be done locally over the five years to June 2029.



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