



**MASTER BUILDERS
AUSTRALIA**

RISING TO THE CHALLENGE

Master Builders Australia Proposals for the 2021–22 Federal Budget

As at 29 January 2021

Summary of proposed budget measures

Master Builders Australia (Master Builders) applauds the achievements of the Federal Government in successfully navigating the country through the massive economic impacts of COVID-19. Our industry is proud to be front and centre of Australia's economic recovery journey. The significant multiplier capacity of the building and construction industry enables us to drive economic activity to not only protect jobs but also create jobs, with the outstanding success of HomeBuilder a leading example.

To maintain a strong economic recovery, Master Builders proposes a series of budget measures designed to maximise the multiplier capacity of the building and construction industry.

Commercial building activity

- Additional funding for smaller-scale commercial building projects in social infrastructure and defence.
- Partner with state and territory governments to invest in new large-scale social infrastructure projects.
- Implement a time-limited scheme that substantially reduces the timeframe in which an investor can claim capital works deductions.
- Establish CommunityBuilder (a grant like HomeBuilder) to support building work on behalf of community groups and the not-for-profit sector.

Residential building activity

- Continue and increase funding for the First Home Loan Deposit (New Homes) Scheme in 2021–22 and increase the relevant home price caps to match the HomeBuilder scheme.
- Significantly upgrade the stock of rental housing by offering, on a time-limited basis, significantly reduced time limits for capital works deductions.
- Expand the National Housing Finance and Investment Corporation's (NHFIC) ability to deliver social housing stock and create conditions to boost private investment.
- Improve the attractiveness of Build-to-Rent through more favourable subsidies and tax breaks.

- Expand the National Housing Infrastructure Fund to include a housing resilience stream.
- Implement the Royal Commission into National Natural Disaster Arrangements' finding to develop homeowner guidance to improve resilience and the mitigate risk of natural hazards.
- Fast track the release on land on the Australian Government Property Register.
- Expand the resourcing of Livable Housing Australia to assist in the roll out of accessible housing.

Infrastructure investment

- Fast track the roll out of previously committed projects.
- Identify, fund, and roll out additional projects from the current Infrastructure Australia Priority List.
- Incentivise state, territory and local governments to make procurement practices more small business friendly.
- Finance public infrastructure through the issuing of government securitised infrastructure bonds.
- Ensure the rolling 10-year forward pipeline of infrastructure work of at least \$100 billion is in place at all times.

Supporting building and construction businesses

- Establishing a Business ICT Modernisation Fund to help businesses upgrade away from legacy ICT systems.
- Immediately reduce the company tax rate to 25 per cent.
- Extend the \$150,000 instant asset write off until at least the end of the forward estimates.
- Develop training to assist small and medium sized businesses to successfully tender for government/public sector contracts.
- Reform public sector tendering and procurement processes to improve access for small and medium sized businesses.
- Expand Regulatory Impact Assessments to include the total cost of regulations, not just the marginal cost of new regulations.
- Make the key elements of Australian Building Standards free of charge to all in the industry.

Building quality and resilience

- Expand the remit of the Australian Building Codes Board to improve implementation of building quality reforms; develop and disseminate best practice tools and resources; establish a national data platform of building regulator information and a national system that governs building product suitability, conformance and compliance.

Education and training

- Enable learners to make informed education choices by addressing information gaps on the MySkills platform.
- Extend the 50% new apprentice wage subsidy to all apprentices until unemployment falls below 5%.
- Transition Australian Apprenticeship Incentive Payments to the single touch payroll system.
- Implement the recommendations of the Productivity Commission's skills review.
- Develop and fund improved in-school careers education to address bias and chronic under resourcing.

Agency resourcing for a productive, safe and compliant industry

- Maintain and boost funding to the Australian Building and Construction Commission (ABCC) to ensure that building work is carried out fairly, efficiently, and productively.
- Maintain funding to the Registered Organisations Commission so that it is adequately resourced.
- Expand funding for the Fair Work Commission to assist with educating industry on implications of Modern Awards and changes arising from passage of the *Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020*.
- Maintain and boost funding to Asbestos Eradication and Safety Agency.
- Expand representative remit of Safe Work Australia and ensure funding allocation matches its increased scope.
- Boost funding for the Office of the Federal Safety Commissioner (OFSC) to increase its capacity and capabilities to identify and progress best practice initiatives which improve industry safety performance and overall outcomes.
- Increase the Department of Health's allocation to support its research into silicosis.

2020

A year of challenge and achievement

Over the past year, the economic climate has been exceptionally difficult and unpredictable. Fortunately, the Federal Government has risen to the occasion and offered unprecedented support to economic activity. This includes support specifically for the building and construction industry, which is making a real difference to overall economic recovery given the significant multiplier effect of investment in building.

Government support has meant that the dire forecasts for the building and construction industry, predicted by Master Builders in April 2020, did not come to fruition.

Our workforce

The latest figures for November 2020 indicate that Australia's building and construction industry has more full-time employees than any other sector of the economy and accounts for nearly one in every ten Australian jobs. Of the 1,176,067 people employed in building and construction, 84.9 per cent work on a full-time basis.

The building and construction industry is also the largest employer of new apprentices and trainees (apprentices). Over the year to June 2020, 19,595 people commenced as construction or plumbing apprentices and there were 56,380 people at various stages of their construction apprenticeship. A key concern for the sector is attracting and retaining enough apprentices to meet workforce needs now and into the future. The Federal Government can assist in a number of ways, including extending apprentice wage subsidies, and enabling more informed decision making on career pathways and training providers.

One of the most positive trends in recent years has been the increase in female participation in the construction industry. During November 2020, there were 165,335 women employed in

the industry. While this represents only a 14.1 per cent share of total industry employment, it is a figure which has been moving in the right direction. Programs to promote careers for women in construction like Master Builders' *Women Building Australia* initiative have played a part in achieving this improvement.

Building and construction ranks top of the ladder when it comes to the number of active businesses. As at the end of June 2019 (the latest available data) our industry has approximately 395,000 businesses. The most striking feature of the building and construction industry is the small size of most businesses. 98.5% of building and construction businesses are small, with fewer than 20 people, and 59.1% have no employees. 56.0% of businesses have an annual turnover below \$200,000 and 16% have an annual turnover below \$50,000.

The small size of most businesses means that much of the industry lacks the resources enjoyed by large companies with respect to navigating the government procurement maze and struggle to digest and grapple with the seemingly endless stream of new regulations and mountains of associated paperwork. More can and should be done to free up our businesses and allow them to get on with doing what they do best – building for Australia's future.

Contributing to the economy

The value of construction work over the year to September 2020 totalled \$210.4 billion. This included \$71.1 billion worth of residential building work, \$48.8 billion in commercial building work, and \$90.5 billion in civil construction works.

In addition to the significant direct impact on economic activity, the building and construction industry punches well above its weight in terms of support for other sectors of the Australian economy. EY modelling commissioned by Master Builders and published in 2020 estimated the economic benefits from potential stimulus to the construction industry.

It found that for every \$1 of Federal Government stimulus to the industry, gross domestic product (GDP) would increase by between \$1.22 and \$3.28 depending on how it was targeted.

Separate research published by NHFIC in mid-2020 explored the contribution of building activity. Apart from the obvious benefit of providing shelter, NHFIC's study found that every \$1 million worth of residential building activity generated a \$2.9 million increase in GDP and supported nine jobs across the Australian economy. NHFIC also found that residential building activity has the second-highest economic multiplier effect and commercial building activity, with an economic multiplier of 2.48, was the third highest in the rankings.

Additional analysis by Master Builders has estimated the impact of all components of construction activity on the demand for Australian-produced products and services. Our analysis found that in 2017–18, construction activity generated \$189.7 billion worth of demand for products and services in other areas of the Australian economy – with the most support going to professional services (\$23.5 billion), metal manufacturing (\$17.7 billion) and sawmill/wood processing manufacturing (\$16.6 billion).

1.1M 

Workers

Of 1,176,067 people employed in building and construction, 84.9 per cent work on a full-time basis.

395k 

Building and construction businesses

98.5% of businesses are small, with fewer than 20 people, 59.1% have no employees, 56.0% of businesses have an annual turnover below \$200,000 and 16% have an annual turnover below \$50,000.

\$210.4b 

Value of construction work

\$71.1 billion worth of residential building work, \$48.8 billion in commercial building work, and \$90.5 billion in civil construction works.

Outlook for building and construction activity to 2024–25

- **Largely thanks to HomeBuilder, Master Builders has upgraded our July 2020 forecasts for residential building work by \$9.2 billion, representing 27,838 more new homes over the period to 2024–25 and the creation of around 83,000 jobs (46,000 in the construction sector).**
- **The unprecedented reduction in migration from overseas is likely to cause significant difficulties for high density new home building.**
- **Commercial building activity reached a record high just before the pandemic. Over the coming years it will likely struggle due to low private sector demand. However, a boost in public sector projects will offer some relief.**

Residential building: HomeBuilder a \$9.2 billion success story

In 2019–20 \$74.4 billion worth of residential building work was done. This included \$65.1 billion in new home building activity and \$9.3 billion accounted for by large home renovation projects. Approximately 192,000 new homes were completed by Australia's building industry in 2019–20, providing a roof over the heads of around 498,000 Australians.

The onset of COVID-19 and the health and economic uncertainty that ensued annihilated the forward pipeline of work for the residential building sector. However, the Government stepped in with HomeBuilder and other stimulus initiatives which are supporting new home building activity right across the country.

Recent building approvals and home lending data indicates that HomeBuilder is having a very strong and favourable effect on new detached house building and major home renovation works. Largely thanks to HomeBuilder, we forecast \$9.2 billion in additional residential building work and 27,838 more new homes will be built over the period to 2024–25 compared with our projections in July 2020. We anticipate this will boost employment across the economy to the tune of 83,000 jobs,





46,000 of which will be in the construction sector, and sustain 15,485 more construction businesses.

The extension of HomeBuilder to 31 March 2021 and changes to price caps and commencement timeframes will significantly support new home building activity and jobs in 2021 and see a healthy pipeline of work well into 2022.

Our forecasts project 160,338 new home building starts in 2020–21 (+28.7% on July 2020 forecasts) and over the period to 2024–25 close to 28,000 additional new homes will be built. In places like Western Australia, South Australia and the Northern Territory where residential building has been depressed for years, HomeBuilder has proven to be the catalyst to kick starting long-awaited recoveries.

However, the lift in building activity will be front loaded. This means that relative to our July 2020 forecasts activity in 2020–21 will see the strongest increase, however this ‘drag forward’ in demand will likely see new home building in 2023–24 and 2024–25 slightly lower than previously projected.

Residential building: Migration a major concern

Migration to Australia from overseas is the biggest influencing factor on housing demand. As outlined in the October 2020 Federal Budget, permanent

departures from Australia will exceed arrivals in 2020–21 and 2021–22. This will reduce underlying demand for new home building and is one of the biggest medium-term concerns for residential building businesses.

Data for the June 2020 quarter indicates there was net emigration from Australia of almost 6,000 residents. As figures become available for subsequent quarters, we expect the scale of outward migration to expand. This is the first time Australia’s population has lost people to emigration since World War II.

Net inward migration is expected back in positive territory towards the middle of the decade. However, the size of the inflow will be much lower than pre-pandemic due to the negative impact of COVID-19 on our labour market and consequential capacity for the economy to absorb migration labour.

Our forecasts indicate that the retreat of overseas migration will impact the demand for high density housing more severely than lower density housing. Newly arrived migrants tend to enter the rental market for their housing needs, and there is a greater concentration of rentals among apartments and units. This is supported by the latest data which shows the benefits of HomeBuilder are not being felt in the high-density part of the new home building market.

Commercial building: A tale of two sectors

Commercial building activity is a hugely diverse portfolio. It captures building works for offices, shops, hotels and bars, government buildings, hospitals, schools, and community buildings.

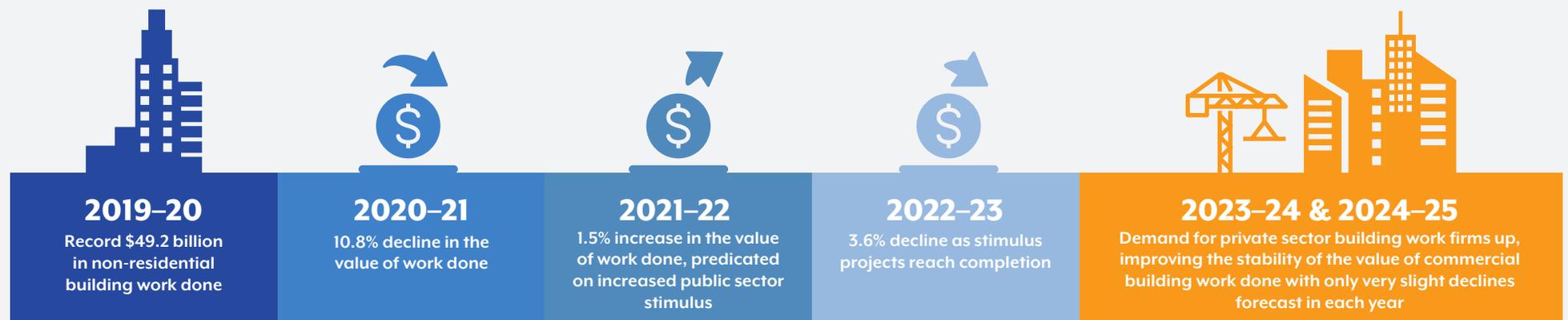
Prior to the pandemic, commercial building activity was at an all-time high across Australia. The value of work done totalled \$49.2 billion in 2019–20. In a normal scenario, we would expect it to take some time for the huge volume of new building stock to be digested by the market and as a result we had already forecast that commercial building activity would take a step back. COVID-19 has worsened this scenario.

Private sector demand for commercial building projects is suffering in this environment of uncertainty

and businesses are reluctant to engage in big-ticket capital expenditures. ABS data shows that compared with 12 months earlier the number of commercial building jobs approved in Australia in the three months to October 2020 dropped 17 per cent. Predictably, the sectors most sensitive to COVID-19 have seen the largest decline in the pipeline of work – tourism, entertainment and international education. Before we will see the return of the private sectors healthy appetite for major investment, the business community needs a clearer picture of the economy's path to recovery – hopefully 2021 will bring this clarity. Fortunately, the public sector accounts for a large portion of demand for commercial building work.

In the current climate, an accelerated roll-out of public sector building projects and development of new projects could considerably activity in the short term. Encouragingly, this is happening. In the September 2020 quarter, the volume of commercial building work done for the public sector rose by 3.9 per cent and was some 7.5 per cent higher than the previous year.

Our forecasts draw on leading indicators such as building approvals and assume a strong injection of demand from the public sector will occur over the next year. We anticipate private sector demand will begin to recover over the forward estimates and bring with it a stabilisation in non-residential building activity (see timeline below).



Civil infrastructure: Building the bridge to recovery

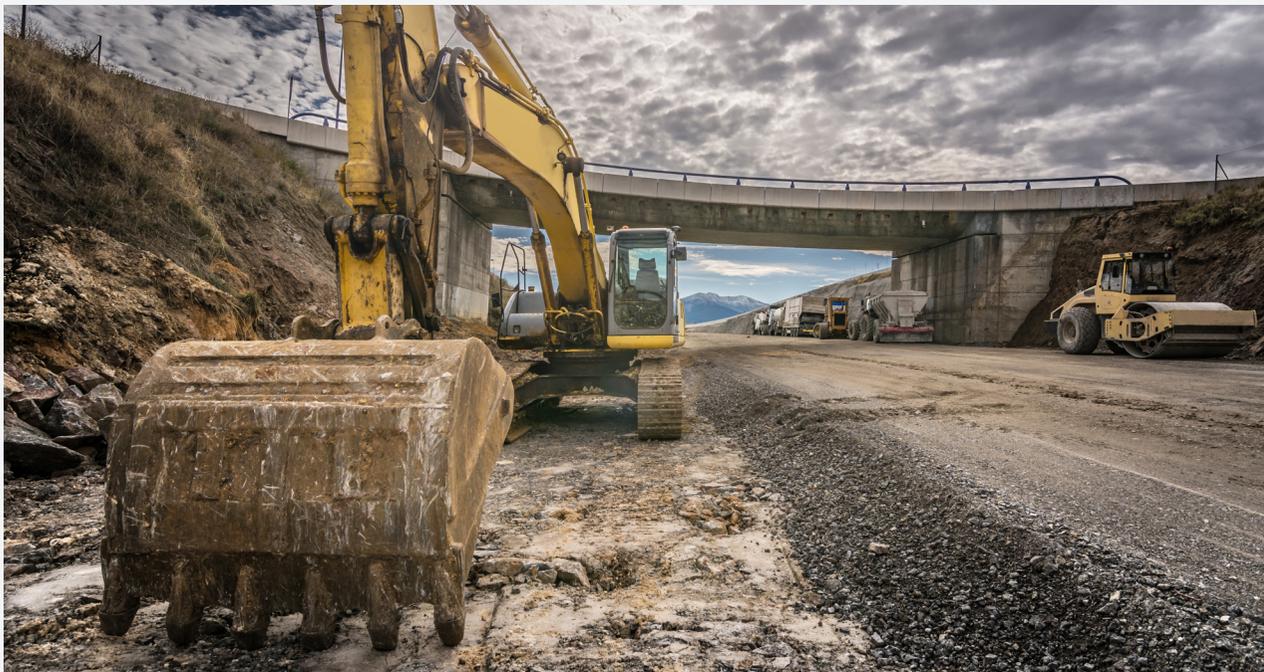
Infrastructure investment is a major plank of the Federal Government's agenda for the 2020s decade and has been since before the pandemic hit. As well as adding to demand in the economy, the installation of new capital stock plays a vital role in expanding the economy's productive potential over the long term and is thus key to achieving gains in living standards.

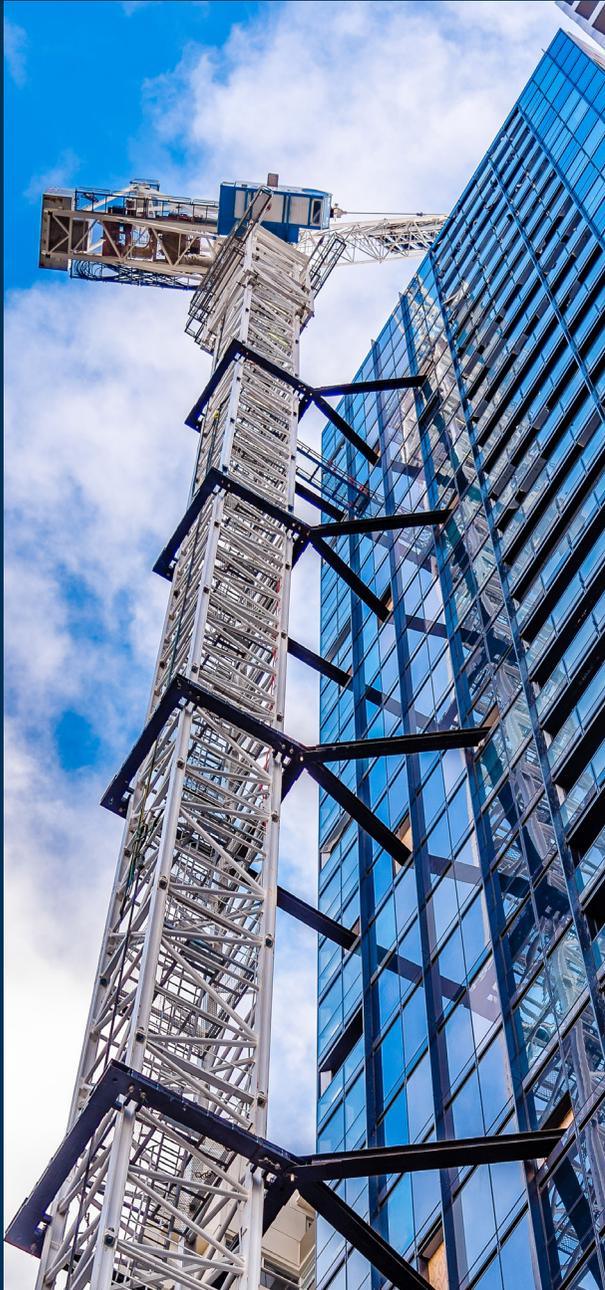
The boost to activity offered by public infrastructure projects will be an important ingredient of the post-COVID-19 economic recovery in Australia over the next few years.

- Similar to demand for commercial building activity, infrastructure investment is an area where government-led projects have major

potential to absorb some of the slack resulting from low private sector demand.

- In 2020 we saw the federal, state and territory governments step-up to boost civil infrastructure activity by fast-tracking shovel-ready projects, expediting work on key infrastructure projects and announcing new works.
- Our most recent forecasts for civil construction anticipated an expansion in activity of 8.9 per cent during 2020–21 followed by a further increase in activity of 3.3 per cent in 2021–22. It was then expected that activity would start to move into reverse gear as the pipeline of government-driven projects is expected to taper off. However, a further round of infrastructure stimulus would mean that strong levels of infrastructure investment would be sustained into the middle of the decade, if not beyond.





Master Builders' urges the Federal Government to consider these proposals:

01 Commercial building activity

Commercial building activity is highly dependent on private sector investment that in turn is reliant on a strong economy. Because of the economic impacts of COVID-19, private sector demand for commercial buildings projects is suffering due to the environment of uncertainty and a reluctance by businesses to engage in big-ticket capital expenditure.

Official figures from the ABS indicate that the total number of commercial building jobs approved across Australia dropped by some 17 per cent over the three months to October 2020 compared with a year earlier. Predictably, the largest declines in the pipeline have affected the most COVID-sensitive sectors of the economy like travel, tourism, entertainment, and international education.

Like residential building, commercial building work has a very high multiplier effect on economic activity and as such can be used as a lever for economic recovery.

Master Builders strongly recommends further Federal Government support to the commercial building sector, as it has done so for residential building, to ensure job retention and maximise the economic multiplier capacity of commercial building. Support can be provided through the following mechanisms:

1. Additional direct funding for smaller-scale commercial building projects in social infrastructure and defence.
2. Partner with state and territory governments to invest in new large-scale social infrastructure projects.
3. Implement a time-limited scheme that substantially reduces the timeframe in which an investor can claim capital works deductions.
4. Establish CommunityBuilder (a grant like HomeBuilder) to support building work on behalf of community groups and the not-for-profit sector.

02 Residential building activity

For residential building, the announcement of HomeBuilder back in June has been transformative, with the scheme likely to provide a healthy pipeline of work for residential builders well into 2022.

In the early days of the COVID-19 crisis last year, it was feared that new home building work would fall off a cliff. Instead, HomeBuilder and other initiatives mean that 2020 and 2021 will both go down as several of the healthiest years on record for new home building and residential renovations work.

The benefits of HomeBuilder, however, have been geared towards builders of single dwelling residences and medium density housing rather than on high-density residential construction which is usually undertaken by the same builders that construct high rise commercial buildings, so there is a double hit to that section of the industry.

Over the medium term, residential builders are most concerned about the ongoing absence of migration from overseas - something which has stark implications for housing demand in Australia.

Master Builders commends the Federal Government for their foresight in announcing HomeBuilder and its subsequent extension, we are however of the view that there are additional opportunities available for consideration by the Federal Government in supporting the residential building sector that not only fills some gaps in the market but also entrenches the broader successful impacts of a strong residential building industry. Support can be provided through the following mechanisms:

1. Continue and increase funding for the First Home Loan Deposit (New Homes) Scheme in 2021–22 and increase the relevant home price caps to match the HomeBuilder scheme.
2. Significantly upgrade the stock of rental housing by offering, on a time-limited basis, significantly reduced time limits for capital works deductions.
3. Expand the National Housing Finance and Investment Corporation's (NHFIC) ability to deliver social housing stock and create conditions to boost private investment.
4. Improve the attractiveness of Build-to-Rent through more favourable subsidies and tax breaks.
5. Expand the National Housing Infrastructure Fund to include a housing resilience stream.
6. Implement the Royal Commission into National Natural Disaster Arrangements' finding to develop homeowner guidance to improve resilience and the mitigate risk of natural hazards.
7. Fast track the release on land on the Australian Government Property Register.
8. Expand the resourcing of Livable Housing Australia to assist in the roll out of accessible housing.



03 Infrastructure investment

Along with commercial building, infrastructure investment is an area where government-led projects have major potential to take up some of the slack resulting from the weak state of private sector demand. This could be done by:

1. Fast track the roll out of already announced projects.
2. Identify, fund and roll out additional projects from the current Infrastructure Australia Priority List.
3. Provide incentives to state, territory and local governments to improve procurement practices, such as revising tender design to enable packaging of bidding for contracts to increase competition and enable a larger number of smaller contractors to bid for projects.
4. Finance public infrastructure through the issuing of government securitised infrastructure bonds.
5. Ensure the rolling 10-year forward pipeline of infrastructure work of at least \$100 billion is in place at all times.

04 Support building and construction businesses

The vast majority of the 395,000 businesses that make up the building and construction industry are small, with well over half having no employees at all and being run by sole traders or as partnerships. Many of the businesses in our industry are family-run operations.

This all means that the businesses in the industry often lack the resources enjoyed by large companies with respect to navigating the government procurement maze and struggle to digest and grapple with the seemingly endless stream of new regulations and mountains of associated paperwork.

In this federal budget, we propose measures to free up our businesses and allow them to get on with doing what they do best – building for Australia’s future. The federal budget should:

1. Encourage greater investment in technology and digital innovation by establishing a Business ICT Modernisation Fund to help businesses move from legacy ICT systems to more modern capabilities.
2. Immediately reduce the company tax rate to 25 per cent.
3. Extend the \$150,000 instant asset write off until at least the end of the forward estimates.
4. Develop training programs for small and medium sized building and construction businesses to improve their ability to successfully tender for government/public sector contracts.
5. Undertake reforms to the public sector tendering and procurement processes to make them more accessible to small and medium sized businesses.
6. Expand the scope of Regulatory Impact Assessments in order to take account of the total cost of regulations – rather than just the marginal costs of new regulations.
7. Make the key elements of Australian Building Standards free of charge to all in the industry.



Reduce company tax

Immediately reduce the company tax rate to 25 per cent



Training programs

Develop training programs for small and medium sized building and construction businesses to improve their ability to successfully tender for government/public sector contracts



Free Standards

Make the key elements of Australian Building Standards free of charge to all in the industry

05 Building quality and resilience

Public confidence in the building and construction industry is critical and should be underpinned by a strong National Construction Code that is supported by a well-resourced regulatory regime and ongoing industry education. Gaps in the system have been recognised by all Governments in recent years. While Master Builders acknowledges the predominant regulatory role of State and Territory Governments, we are of the view that more should be done at a National level to resolve remaining gaps that could best be achieved as follows:

1. Expand the remit of the Australian Building Codes Board (ABCB) to not only administer and update the National Construction Code, but to also improve support for the Government's implementation of building quality reforms and coordinate delivery of best practice tools and resources for industry practitioners and government regulators. The expanded remit should include:
 - Develop and disseminate best practice tools to facilitate compliance, audit, surveillance, information sharing, training and interpretation of standards and codes.
 - Develop model/best practice regulatory tools in an Australian Model Building Act to guide legislative changes in states and territories that support building quality and National Construction Code reforms.
 - Establish and administer a national system that governs building product suitability, conformance and compliance.
 - Establish and administer a shared national data platform for building regulator information.
 - Support implementation of the National Construction Code, the Australian Standards and the homeowner guidance recommendations from the Royal Commission into Natural Disaster Arrangements.



Best practice tools

Facilitate compliance, audit, surveillance, information sharing, training and interpretation of standards and codes



Information platform

Establish and administer a national data platform for building regulator information, building product suitability, conformance and compliance



NCC and Australian Standards

Support recommendations from the Royal Commission into Natural Disaster Arrangements

06 Education and training

Australia's building and construction industry is one of the economy's most important incubators when it comes to mentoring talented new members of our nation's workforce. Latest figures indicate that at the end of June 2020, some 56,405 people were in the process of being trained for a career in the construction trades. In the current economic environment, some businesses are struggling to take on apprentices. Thankfully, the Apprentice Wage Subsidy has helped address this issue. Going forward, our main concern is that our industry continues to attract and retain enough apprentices to be meet our workforce needs over the coming decade and beyond. We believe that the federal budget can support this in several ways, such as:

1. Resource the National Careers Institute to improve the MySkills platform to address information gaps and enable learners to make more informed decisions about their educational pathways and training providers. This should include harnessing available data from the NCVER, USI, ASQA, etc. to publish information about all training providers on their fees, course duration, student and employer satisfaction, employment outcomes, and completion rates.
2. Extend the 50 per cent 12-month wage subsidy for new apprentices to cover new and current apprentice wages until the unemployment rate falls below 5 per cent.
3. Simplify and streamline employer incentives for hiring apprentices by transitioning Australian Apprenticeship Incentive Payments to the single touch payroll system.
4. Implement the recommendations from the Productivity Commission's Review of the National Agreement on Skills and Workforce Development.
5. Address the under resourcing and bias in school careers education by tasking the National Careers Institute to work collaboratively with peak industry bodies to develop careers education programs for year 8–12 students to be delivered in schools and funded under a new funding agreement – Project Agreement for Quality Careers Education.

07 Agency resourcing for a productive, safe and compliant industry

The building and construction industry remains committed to delivering safe and productive workplaces. There are a myriad of Federal agencies working with industry to achieve that aim. While acknowledging the debt burden of Government due to supporting the economy through COVID-19, Master Builders is of the strong view that support from the Federal Government to ensure safety and productivity of the industry is integral to the success of the industry maximising its capacity to drive economic recovery.

Australian Building and Construction Commission – Maintain and boost funding

The Australian Building and Construction Commission (ABCC) is an essential agency holding responsibility for ensuring that building work is carried out fairly, efficiently, and productively to deliver benefits to employers, employees, workplaces, and the community.

When compared to earlier iterations, the remit of the ABCC as constituted is larger and includes functions and tasks about which there is a growing degree of community concern. These functions include responsibility for ensuring employers meet and comply with their employment conditions and a greater focus on the standard of industry commercial conduct, including compliance with various State and Territory security of payment regimes.

The impacts of a larger remit for the ABCC are positive and, when regard is given to the noticeable benefits these deliver to industry and workplaces, there is

significant merit in not only maintaining the existing level of appropriation but increasing this at least \$5 million per year over the forward estimates period.

Registered Organisations Commission – Maintain funding

The Registered Organisations Commission (ROC) has delivered improved standards of industrial conduct and greater degrees of transparency and accountability to those who are members of such organisations and therefore its funding should be maintained to ensure adequate resourcing.

Fair Work Commission – Additional funding to assist Modern Award compliance and impending changes to IR laws

Master Builders recommends that additional funding be made available to business through the Fair Work Commission (FWC) to educate industry about substantial changes to Modern Awards arising from both the 4 Yearly Review of Modern

Awards and other related sources of change to employment conditions arising from the passage of the Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020.

The heightened degree of community awareness about the level of industry compliance with legislatively prescribed employment conditions should signal to Government that greater resourcing should be made available to let industry help industry. Various items of legislative change, combined with significant changes arising from the 4 Yearly Review process, will see the complexity and density of industrial relations obligations increase and compliance become even more resource intensive for business, particularly for small business.

Government should provide the FWC with an additional appropriation of \$20 million for the first year of the forward estimates. This appropriation should be reserved for, and made available to, industry representatives to assist employers increase their awareness and understanding of their obligations and help them better navigate through the many sources of complex and detailed workplace obligation.

Asbestos Eradication and Safety Agency – Maintain and boost funding

The Asbestos Eradication and Safety Agency (ASEA) plays an important coordination and centralisation role as Australia moves to ensure asbestos hazards are controlled and without risk to health and safety.

Industry remains keen to see greater interaction with ASEA. Industry is concerned to see a greater degree of research undertaken in terms of managing asbestos in situ, and for greater levels of awareness and education amongst the community, especially amongst the DIY home renovation sector.

Master Builders calls on the Government to not only maintain the existing level of appropriation for ASEA, but for it to be boosted by not less than \$2 million per year over the forward estimates to take advantage of the improved level of goodwill which exists within the building and construction sector.

Safe Work Australia Act 2008 (Cth) Safe Work Australia – Boost funding

Safe Work Australia (SWA) is increasingly playing an even greater role in discharging its initial remit, being the coordination of nationally consistent workplace health and safety laws and policy. To achieve this, its representative remit must be expanded to generate a greater representative role for those employers who operate within what SWA categorise as 'priority industries', such as the building and construction industry.

It is also anticipated that the Agency's workplan will be expanded significantly if key recommendations arising from the Model WHS Laws Review are adopted.

We also continue to hold the view that SWA must also pay greater regard to domestically based matters and ensure it does not lose sight of its overarching aim and purpose. It should do this by ensuring stricter adherence to the Intergovernmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety as originally agreed by COAG.

In addition, Master Builders calls on the Government to undertake an independent review of SWA to ensure it is operating in accordance with its revised objective and functions arising from amendments to the *Safe Work Australia Act 2008 (Cth)* enacted in August 2017. Master Builders calls for additional funding of not less than \$500,000 for the first year of forward estimates to facilitate the review.

Office of the Federal Safety Commissioner – Boost funding

The Office of the Federal Safety Commissioner (OFSC) is an effective entity that proactively engages industry in working towards achieving high standards of workplace health and safety on Australian building and construction projects.

Improvements in industry safety outcomes are clear and compelling for those entities who have achieved accreditation under the Australian Government Work Health and Safety Accreditation Scheme ('the Scheme'). These results are complimented by the OFSC's pursuit of sustainable cultural change within the industry, along with its support for innovative and positive WHS practices.

Master Builders recommends that the Government boost funding to the OFSC specifically to increase its capacity and capabilities to identify and progress best practice initiatives which improve industry safety performance and overall outcomes.

This will also assist in promoting accessibility of the Scheme to small and regional construction companies.

Dust Diseases Taskforce/Department of Health – Ongoing funding for domestic research

Master Builders supported the creation of the Dust Diseases Taskforce as a dedicated, health focused taskforce to coordinate a national approach to the prevention, early identification, control, and management of dust diseases.

The work of the taskforce is particularly crucial given that community focus on disease caused by dust, especially silicosis, has increased in recent years despite there being precious little data on the extent of disease or research on appropriate control methods, particularly for at risk sectors including building and construction.

Noting that the taskforce is due to hand down its final report in June 2021, Master Builders seeks that it, or a relevant agency within the Department of Health, receive \$5 million to fund specific research into the extent of silicosis exposure on construction sites, including the level of exposure across different types of construction workplaces and the different types of work performed therein.



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