

MARCH 2021

NATIONAL OFFICE MONTHLY REPORT

FROM THE CEO

Advocacy on the IR Omnibus Bill, changes to HomeBuilder to relieve supply pressures and the upcoming May Federal Budget have been our priorities for March.

The effective failure of the Omnibus Bill (only 1 of the 5 schedules was passed) is a bitter disappointment. The industry wants to see a more efficient EBA process, particularly those who wish to pursue non-union EBAs, and more effective Greenfield Agreement parameters. Despite overwhelming evidence to justify predominantly process changes that favoured both employers and employees, the heavy hand of politics won over rational and fair policy outcomes yet again. Master Builders will now turn its efforts to reminding the Federal Government of its commitment 12 months ago (when it set aside the Ensuring Integrity Bill to enable the Omnibus negotiations to commence) to introduce a new Bill that ensures recidivist officials are truly held accountable for their actions.

The overwhelming success of HomeBuilder has led to supply chain pressures for both product and skilled trades. Master Builders conducted a survey during March to quantify the problem and has used the survey results to advocate for the removal of the commencement date as it is now a redundant requirement that was established to ensure there was ongoing work for an industry facing a cliff.

Our advocacy on the May Budget continued this month with a particular focus on concerns about the significant decline in commercial construction activity (including high rise residential). We have advocated several measures to facilitate private investment and direct government support in social and defence infrastructure, fast-track tax deductions for capital works and the Community Builder concept.

WOMEN BUILDING AUSTRALIA

Women Building Australia's (WBA) first career expo for the year kicked off in March at the South Australia Work & Skills Expo. MBA staff member Luke Lowes and MBASA staff member Johanna Herrera were in attendance to support the program highlighting to female school leavers the industry's fantastic career opportunities.

There is a full program of WBA career expos scheduled to make up from last year. The next expo is in Toowoomba, followed by expos throughout Australia.



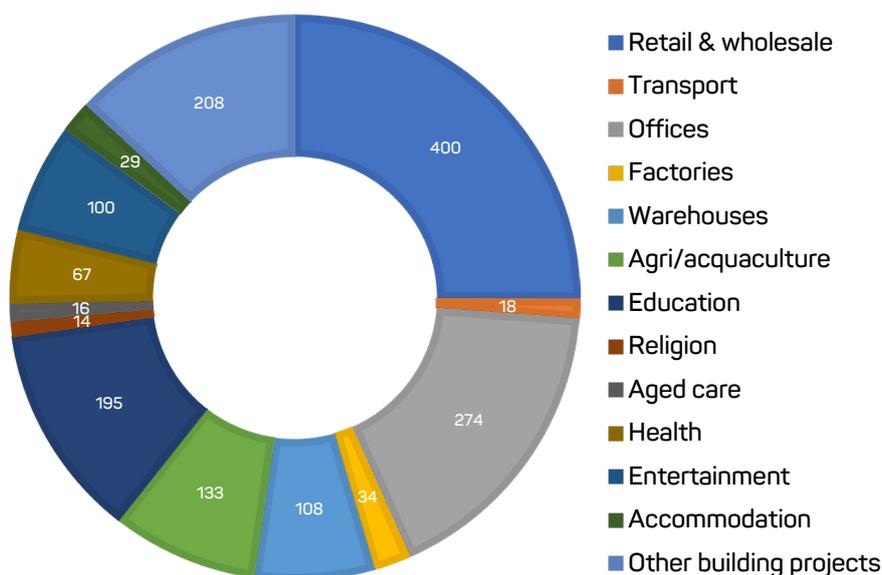
NATIONAL ECONOMIC DATA SNAPSHOT

NON-RESIDENTIAL BUILDING

1,596 non-residential building jobs valued at \$3.17 million were approved in AUS in Jan 2021.

Public sector share of non-residential building jobs approved in Jan 2021: 53%.

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



CIVIL CONSTRUCTION

Civil construction work, September 2020 quarter



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

Activity	Started	Done	To be done
Roads	\$3,411.8	\$4,810.4	\$14,913.3
Other transport	\$2,720.4	\$3,058.6	\$16,937.2
Electricity	\$3,476	\$3,410.9	\$7,359.3
Water & sewerage	\$2,104.6	\$1,691.6	\$5,000.9
Telecommunications	\$1,493.6	\$1,485.9	\$141.9
Heavy industry	\$3,907.6	\$6,400.2	\$4,534.7
Recreation & other	\$1,855	\$1,653.3	\$1,205.5
TOTAL	\$18,968.9	\$22,511	\$50,092.6

RESIDENTIAL BUILDING

House prices: year to February 2021

- Capital cities: **+3.6%**
- Regional markets: **+11.5%**

Unit prices: year to February 2021

- Capital cities: **-0.1%**
- Regional markets: **+7.6%**

Rental price changes in Australia

- December 2020 quarter: **+0.1%**
- Year to December 2020 quarter: **-1.3%**

Building approvals: January 2021

- Total new home building approvals: **15,926 (+19.0%** change on Jan 2020)
- Detached houses: **12,390 (+39.0%** change on Jan 2020)
- Units/apartments: **3,536 (-20.9%** change on Jan 2020)
- Home renovations: **\$829.3 million (+1.8%** change on Jan 2020)

Residential building work during September 2020 quarter

Number of new homes commenced

- All dwellings: 44,673
- Detached houses: 28,976
- Apartments/units: 15,697

Number of new homes completed

- All dwellings: 45,947
- Detached houses: 26,545
- Apartments/units: 19,402

New homes still under construction on 30 September 2020

- All dwellings: 182,156
- Detached houses: 58,398
- Apartments/units: 123,758

Lending indicators: January 2021

- Loans to owner occupiers for construction of new home: **9,858 (+161.8%** change on Jan 2020)
- Loans to investors for construction of new home: **910 (-12.1%** change on Jan 2020)
- Loans to owner occupiers for residential land purchase: **3,339 (+54.7%** change on Jan 2020)
- Loans to investors for residential land purchase: **633 (-4.4%** change on Jan 2020)
- First Home Buyers share of loans: **36.5%**

LABOUR MARKET



13.01 million
employed people
in AUS

5.8%
Unemployment
rate
(February 2021)



131,392
Construction
Businesses

Size (# workers)

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

Size (turnover)

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



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

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



Women account for
13.6% of those working
in AUS construction



91,424 construction
apprentices in-training
(end of June 2020)

31,916 new starts
(year to June 2020)

17,401 completions
(year to June 2020)

24,085 apprentice
carpenters in training

16,195 apprentice
plumbers in training

PRIORITY POLICY ISSUES

POLICY AREA	KEY ACTIONS	ISSUES PROGRESSING
Building Regulation	<ul style="list-style-type: none"> • Mutual Recognition Bill Occupational Licensing • National Building Regulation Committee - A formal meeting of BRC was held on 4 March 2020 via Zoom. • Australian Standards • ABCB 	<ul style="list-style-type: none"> • The Australian Government introduced the Mutual Recognition Amendment Bill 2021 to the House of Representatives on 18 March 2021. • Master Builders made a submission to the draft legislation. Key points in the MBA response include: <ul style="list-style-type: none"> • MBA supports removing the need for further application processes and additional registration fees which is the primary objective of this legislation. • Reforms will be complimented by Building Ministers National Registration Framework reforms – that prescribe consistent requirements for building practitioner qualifications, experience and good character. • The federal view on insurance and financial viability requirements is that they are aligned with business registration, which is a better fit for governing these requirements than licensing and registration. • Further information on the bill (including submissions) can be found via their website here. • AS 1428.5 Design for access and mobility-Communication for people who are deaf or hearing impaired • Building & Plumbing Codes Committee Meetings: <ul style="list-style-type: none"> • Accessible housing • Fire safety of early childhood centres in high-rise buildings • External wall combustibility • Weatherproofing and waterproofing

- Discussion Paper: Integrity of private building surveyors and their role in enforcement response to Building Confidence Report (BCR)** - BCR recommendations relate to mitigating conflicts of interest; Increasing transparency in engagement and statutory responsibilities; and providing enhanced supervisory powers and require mandatory reporting. Guidance on 10 principles for statutory controls have been developed and are being consulted on. Submissions are due 27 April 2021. [More information is available here.](#)
- Discussion Paper: Building Manuals response to Building Confidence Report (BCR)** - The BCR recommends that jurisdictions require comprehensive building manuals for class 2–9 buildings that are available to owners and successive purchasers. Guidance has been developed on information that should be collected where information should be stored, who should oversee creation of a building manuals, possible processes to create building manuals, and types of buildings that should require a building manual. Submissions are due 17 May 2021. [More information is available here.](#)
- Discussion Paper: Draft National Building Product Assurance Framework response to Building Confidence Report (BCR)** - The BCR recommends establishment of a compulsory product certification system for high risk building products. A National Building Product Assurance Framework has been proposed in the discussion paper that seeks to address problems associated with building product safety. The paper explores a number of areas for reform and seeks views on the current problems and proposed solutions. Submissions are due 6 June 2021. [More information is available here.](#)
- Federal Industry Department – Energy Efficiency & Disability Access**

 - 2025 NCC Section J early stages Policy Development.
 - National Disclosure Framework for Residential Energy Efficiency.
 - Premises Standards Review - Industry Stakeholder Consultations.

Contracts	<ul style="list-style-type: none"> • Changes to payment claim arrangements under NSW Home Building ACT - As a result of the advocacy and solid work of MBA NSW, National Office is now in the process of drafting changes to the ABIC NSW domestic contracts to restore monthly payment claims under the contract. • National Contracts Advisory Committee - A formal meeting of NCAC was held on 12 March 2021 via Zoom. 	<ul style="list-style-type: none"> • In partnership with the Australian Institute of Architects and MBA NSW, National Office will draft amendments to the NSW versions of ABIC to restore monthly payment claims as an option under the contract. • Discussions were around NCAC's 2021 strategy, including the roll-out of the DIN, proposed changes to the Statutory Demand framework, as well contractual issues arising from the HomeBuilder Scheme.
Economy & Productivity	<ul style="list-style-type: none"> • MBA Forecasts • Economics and Productivity Committee Inaugural Meeting • Consultation with Government 	<ul style="list-style-type: none"> • Latest Master Builders forecasts to be released. This will be the first set of forecasts produced in 2021 covering all eight states and territories up to 2024-25 for residential building, non-residential building and civil construction. • The new Committee met for the first time on 12 March 2021. • Focus of discussion was on Homebuilder supply chain demand pressures. • Committee to consider at next meeting key policy in relation to sustainability of the industry. • Deregulation Taskforce on overlapping regulation. The purpose of the meeting was gather real world, anecdotal evidence on the issue of building businesses being impeded by regulations which are duplicated by two or more levels of government. • Chief Economist and Treasury with respect to role of foreign investors in commercial building projects. This is part of an internal work programme within Treasury to assess any potential risks to national security arising from office buildings being owned or managed by foreign entities. • Treasury's Business Liaison Unit on the capacity for the industry to deliver on its long term infrastructure needs. The current shortages of trades and materials were brought to Treasury's attention, as was the importance of delivering a workforce commensurate with long-term needs.

- **Productivity Commission Supply Chain report**
 - **Medium term workforce needs**
- An interim report of the stability of Australia's supply chain for imported products has been released. Given the importance of imported materials to our industry, Master Builders will be responding to the report's findings.
 - Master Builders projections of medium-term workforce needs. Following the completion of our updated set of forecasts for construction activity, we will be commencing a project to estimate the numbers of workers required in our industry over the medium term to undertake the expected pipeline of work.

Industrial Relations

- **IR Omnibus Bill** - In the lead up to the debate of the Bill in the Senate, the National Office held meetings with ministerial staff and cross bench senators, on the necessity of passage of key parts of the Bill. Our particular focus was advocating in favour of the provisions that would see improvements to agreement making processes. National Office provided numerous updates and advice as the debate and changes to the Bill rapidly unfolded.
 - **Construction Modern Award 4 Yearly Review** - The National Office appeared before a Full Bench of the Fair Work Commission in late February arguing to resolve ambiguity about the Distant Work provisions in the new Award. Shortly after, the FWC handed down a decision wherein it acknowledged our submissions that the new clause inadvertently caused confusion and potentially a double-dip entitlement. The National Office then made supplementary submissions on how the issue could be remedied.
 - **ABCC Meeting** - The National Office met with members of the ABCC to receive an update on the plethora of proceedings it has brought for numerous breaches of the BCIIIP Act. It was observed that the Agency currently has 11 matters on foot, 9 of which constitute alleged breaches on the part of CFMMEU officials. We also discussed ongoing issues with respect to the various State/Territory procurement codes and policies and their concerning intersection with IR.
- Despite our disappointment that key parts of the Bill were removed, it was pleasing to see some improvements were achieved with respect to casuals. We will continue to advocate for much needed reform to EBA/FWC processes under the Act for the benefits of our members.
 - National Office will await the Commission's final decision and communicate relevant changes to members.
 - National Office will continue to build support for the retention of the ABCC and will also engage in the review on the Building Code 2016, likely to take place in the latter part of 2021. We will also work with the relevant State Associations to urge Government to addressing worrying developments with respect to procurement.

- **ACCI Workplace Policy Committee** - A meeting of the Committee was held to discuss Fair Work Commission's Annual Wage Review and ACCI's submissions to the proceedings, which will advocate for restraint in terms of any increase in light of the economic recovery on foot.
- **National Industrial Relations Advisory Committee** - A formal meeting of NIRAC was held via Zoom on 11 March 2021.
- National Office will continue to monitor progress of the matter and provide any necessary feedback during the course of the review.
- Discussions were around NIRAC's 2021 strategy and priority positions including a potential Construction Industry Specific version of the Ensuring Integrity Bill, the IR Omnibus Bill, and response to the recent ALP IR policy announcements.

Jobs & Skills

- **National Jobs & Skills Committee** – The Committee met on 15 March, discussing 2021 priorities including training, migration, apprentices, and licensing, as well as actions and deliverables. The next meeting is scheduled for 27 March in Canberra.
- **PaTH Business Partnerships** – The National Office ran focus groups on 18 March with employment service providers, jobseekers and employers in Albury to understand local workforce needs, opportunities and barriers ahead of designing pre-employment training pilots.
- **Migration** – Informed by the MBA survey findings, the National Office advocated for migration and workforce solutions to address pressing labour shortages, making submissions to the Senate Inquiry into Australia's Skilled Migration Program and the National Skills Commission's survey on the Skills Priority List, as well as writing to the new Minister for Home Affairs and Minister for Employment.
- **Apprenticeships** – The Government announced the extension of the [Boosting Apprenticeship Commencements](#) initiative, a position the National Office advocated for in our pre-Budget submission. Numbers were uncapped and the 50% wage subsidy extended to 12 months from sign-up.
- **Occupational Licensing** – The legislation to enable automatic mutual recognition of occupational licensing across state borders was introduced and passed the House of Representatives. It will now progress to the Senate.
- **White Card training** – Assessment requirements are being strengthened following concerns raised by Safe Work. The final consultation survey for this project is open until Monday 19 April.
- **Silica safety training** – The National Office attended the first meeting of the Silica Working Group established to develop units of competency on Silica Awareness.
- **Australian Training Awards** – Nominations are now open for the 2021 Awards with categories for students, apprentices, training providers and employers. The National Office encourages MBAs and member businesses to nominate.

Work Health & Safety

- **Vaccine roll-out** - National Office has provided further feedback and updates on the various guidance materials produced by Safe Work Australia.
- **Office of Federal Safety Commissioner** - National Office attended a meeting of a working group facilitated by the FSC to discuss the publication of an OFSC Mental Health Mission Statement.
- **ASEA** - The National Office participated in a final Asbestos Risk Communication Guidelines Workshop this month, organised by ASEA. The aim of the guidelines being developed is to ensure that asbestos related safety awareness information produced by all Government regulators is consistent right around Australia to reduce confusion ensure clarity.
- **Standards Australia** - Occupational Health and Safety Management - The National Office attended a meeting last month of the technical committee (SF-001) charged with the review and publication of WHS-related Australian Standards. The Discussion focussed heavily on whether or not Australia should identically adopt the ISO 45001 handbook for small business, a position we strongly objected to.
- **Review of National Assessment Instruments for High Risk Work** - The National Office met with the nominee who sits on the review panel which has been charged with reviewing NAI's for the recently updated HRW Units of Competency.
- **SWA** - The National Office continued to provide feedback on the unrelenting volume of documentation and projects coming out of SWA, both out of session and in the lead up to SWA members' meetings. Key issues included proposed regulatory reforms with respect to silica, including a ban on dry cutting and the introduction of a licensing scheme.
- National Office will continue to monitor rollout and provide feedback to Government about any workplace issues. We will continue to press the need for certainty on a raft of questions raised by members including the issue of potential liabilities in the event of an adverse reaction to the vaccine.
- National Office has reiterated the need to avoid confusion given the plethora of documents in circulation that deal with mental health in the workplace. We will continue to advocate that any document produced by the OFSC be high level and not impact upon existing Scheme audit criteria.
- National Office will continue its close engagement with ASEA to ensure any guidelines developed are workable and a useful tool.
- Despite initially holding the minority view, the National Office together with ACCI was successful in persuading the group to vote against adoption of the ISO handbook in favour of the development of much needed Australian guidance.
- The National Office nominee will continue this review work, with an anticipated release of the NAIs in the latter part of 2021.
- National Office will continue to devote considerable time to oversight of SWA projects, to ensure the regulatory framework with respect to WHS is practicable and focussed on improving safety outcomes.

- **WHS Communications** - National Office produced and published an interview with OFSC David Denney on the improved safety outcomes experienced by accredited companies under the OFSC's Scheme.
- **Draft NSW Mental Health Code of Practice** - National Office attended a meeting with MBA NSW and SafeWork NSW to discuss its draft Mental Health Code of Practice. We proposed a number of changes to the draft to address some of its overly technical elements and to eliminate parts that were either unclear or inconsistent with established principles.
- **National Work Health and Safety Committee** - A formal meeting of NWHSC was held on 10 March 2020 via Zoom.
- National Office will continue to work with members and industry stakeholders to promote the good news stories of our members in terms of WHS.
- National Office will monitor development of the Code and provide further feedback as required.
- NWHSC discussed its 2021 strategy and priority positions, with a key focus being on vaccines and the progress of the Model WHS laws. A meeting of State/Territory WHS Ministers in April 2021 where they will discuss the merits of adopting Marie Boland's extensive recommendations.

KEY DATES IN APRIL

Thurs 1 April	Board Zoom
Fri 2 April	NATIONAL OFFICE CLOSED - GOOD FRIDAY
Mon 5 April	NATIONAL OFFICE CLOSED - EASTER MONDAY
Tues 13 April	National Office visit to MBWA EDs Zoom
Thurs 15 April	Finance Committee Zoom
Mon 19 April	National Office visit to MBACT
Tues 20 April	National Office visit to MBQ MBA & ICA Building Resilience Roundtable Rountable 3 at NSW Parliament House
Thurs 22 April	Risk Management Committee Zoom
Fri 23 April	National Office visit to MBT
Mon 26 April	NATIONAL OFFICE CLOSED - ANZAC DAY (OBSERVED)
Tues 27 April	EDs Zoom