



MASTER BUILDERS
AUSTRALIA

FAST TRACK TO 1.2 MILLION HOMES

5 WAYS TO IMPROVE PRODUCTIVITY TO MEET THE HOUSING ACCORD TARGETS THROUGH THE ECONOMIC REFORM ROUNDTABLE August 2025

Every day we drag our heels on tackling the challenges faced by the building and construction industry is another day the housing crisis drags on. Australia's productivity challenge starts with the built environment, and so does the solution. Right now, our industry is being held back by broken systems, complex and inconsistent regulation, and acute skill shortages. These problems must be front and centre at the Treasurer's Economic Roundtable on 19–21 August 2025. Addressing them is in the national interest, with housing supply, economic growth, and community wellbeing all resting on the foundations of a strong and efficient building sector.

1

Better regulation

- ▶ Pausing changes to the National Construction Code (NCC) throughout the Accord period while a review is being undertaken.
- ▶ Continuing coordinated state-federal planning reform to bring about faster planning, utilities and building approval outcomes - supported by funding incentives to state/territory/local governments to take effective action.
- ▶ Funding free access to regulated standards.
- ▶ Implement more effective regulatory impact processes that account for the cumulative burden of successive reforms, and adjust or halt reforms where they would negatively affect economic outcomes.

2

Workforce participation

- ▶ Removing the exclusion of tradies from the priority migration skills list.
- ▶ Funding employers to support uplift in commencement, retention, and completion of apprenticeships.
- ▶ Innovative marketing of trade pathways direct to students.
- ▶ Streamlining occupational licensing to enable workforce mobility and removing building-related exemptions from mutual recognition.
- ▶ Back in BuildSkills to develop pathways for credit transfer and recognition of prior learning, gap training courses for migrant workers, and workforce development tools for contemporary construction methods.

3

Support innovation

- ▶ Financially contributing to the development of a platform that integrates the NCC and regulated standards in an easily understandable and useable form.
- ▶ Supporting R&D in the construction industry by funding research entities and increasing R&D tax incentives for businesses.
- ▶ Implementing a process for traceability and digitisation of building product information across the Australian construction industry supply chain.
- ▶ Leverage AI to boost project efficiency while retaining the essential human role in supervision and delivery.

4

Road to Net Zero

- ▶ Harmonising embodied carbon measurement and reporting to eliminate overlap and conflicting requirements.
- ▶ Prioritising digital emissions tracking platforms, such as NABERS, with federal support and industry-aligned standards.
- ▶ Fast-tracking electrical connection and clean energy infrastructure approvals through discrete pathways.
- ▶ Uplifting incentive schemes for resilience retrofits with subsidies or insurance discounts to support transition measures for older houses.
- ▶ Aligning the NCC with net zero and climate resilience measures, and boost community literacy on resilient design and retrofit opportunities.

5

Tax reform

- ▶ Decreasing company taxation.
- ▶ Introducing a permanent Instant Asset write off for small business and increasing the threshold to \$150,000 indexed to CPI.
- ▶ Removing or reducing foreign investor surcharges on housing to reignite higher-density construction.
- ▶ Minimising housing tax burden, by abolishing stamp duty with a move to land tax.
- ▶ Retaining the status quo on Capital Gains Tax and Negative Gearing.
- ▶ Incentivising businesses to scale, invest and innovate.

INDUSTRY FAST FACTS

Key to economic growth but productivity and investment is lagging



The building and construction industry directly accounts for 8-9% of GDP despite its poor productivity performance over recent years.



The number of new homes completed per hour worked in our industry is 53 per cent lower than it was three decades ago.



Productivity in our industry has worsened by 19 per cent over the past decade.



The building and construction industry is a significant employer, employing ~1.3 million people.



Private investment in new homes has declined by 28% between March 2021 and March 2025.



Digital adoption lags by up to 20 years.

Small business is the driving force and must be supported



Over 90% of construction businesses employ fewer than five people, limiting their capacity to absorb new regulations and invest in innovation.



SMEs make up 98% of construction businesses.



The building and construction industry is projected to need 486,000 new workers by the end of 2026 to support achieving the Housing Accord target.

Delay and red tape simply add cost



The average detached housing approval now takes almost 2 years in some jurisdictions.



Planning delays cost the economy around \$1.3 billion per year in lost output.



2022 changes to the NCC increased the cost of a new home by up to \$50K.



The cost of building a new house is 43% higher than it was right before the pandemic.

Policy settings must be right to meet the Housing Accord targets



Current forecasts show Australia will fall over 160,000 homes short of the Accord.



No State or Territory is on track to meet Housing Accord targets; Victoria is the closest, still falling tens of thousands of homes short annually.



Any change to negative gearing and capital gains tax settings will reduce new housing supply.



70% of Australians think the Federal Government should take more action to fix the housing crisis.



Recent Industrial Relations changes are detrimental for productivity and will deprive us of at least 15,340 new homes.



Productivity impacts from workplace relations reforms, workforce shortages and materials cost escalation will see 34,227 fewer houses built from federal government housing commitments.