

22 December 2016

Mr Andrew Barr  
Chief Minister and Treasurer  
GPO Box 1020  
CANBERRA ACT 2601  
Via Email: BudgetConsultation@act.gov.au

Dear Andrew

### **Submission from the Master Builders Association of the ACT - 2017-18 ACT Budget**

Thank you for inviting the Master Builders Association of the ACT (MBA) to make this submission as part of the 2017-18 ACT budget consultation process.

#### **Introduction**

Master Builders ACT (MBA) was formed in 1925 and represents the interests of around 1,200 commercial builders, residential builders, civil contractors, suppliers, subcontractors and professionals.

Master Builders ACT is the largest membership association in the ACT and also operates Canberra's leading Registered Training Organisation and a Group Training Organisation.

The building and construction industry is a significant contributor to the ACT economy, employing around 14,000 people (*ABS, August 2016*) and made a \$1.7 Billion contribution towards Gross State Product (by Industry Value Added) in 2015-16 (*ACT Government, Economic Indicators for the ACT*).

#### **Key Issues for Consideration**

The MBA fundamentally agrees with your vision for Canberra outlined in your first speech to the 9<sup>th</sup> Legislative Assembly. Your statements about Canberra being *a community with ambition, in a city with advantage* are supported. We agree that it is our shared responsibility to *realise that ambition by capitalising on our advantages as a smart, liveable city with enormous potential*.

Of particular relevance to the construction industry is your focus on growing Canberra's population, diversifying the economy, and delivering urban renewal. These priorities have been echoed in ACT budget submissions made by the MBA over a number of years.

The MBA would like to make the following recommendations to government for the 2017-18 ACT budget:

1. Increase the supply of residential land, in particular land for housing types to meet the ACT's changing demographic needs. This will require an acceleration of land supply for single housing and semi-detached housing.
2. Make targeted sales of englobo land for residential development to the private sector. Over time, government should move towards a policy of the majority of residential land being delivered by the private sector, so that government can focus on strategic planning and long term land release policy.
3. Implement the ACT Local Industry Participation Policy as a priority action. This will ensure that as the ACT grows, the flow-on economic value created through additional building and construction activity will be captured within the ACT economy. Government procurement can play a vital role to help to grow and develop local industry for the overall benefit of the ACT economy.
4. Increase investment in infrastructure in key growth corridors and activity centres. As scarce government funds are spent delivering light rail stage 1, it is important that infrastructure investment in other parts of the city is at least maintained. A long term infrastructure plan setting out government's commercial and civil infrastructure project priorities is important.
5. Continued taxation reform, including a continuation of the government's program of removing inefficient taxes such as conveyance duty and insurance duty, and adopting a broad based land tax, is supported. In the implementation of this reform, additional measures to help transition low income earners, retirees and small businesses should be considered.
6. Deliver key urban renewal projects. Around Australia, the successful delivery of urban renewal has proved to increase economic activity and benefit local economies. The MBA is supportive of the government's plans to increase urban renewal, in particular to establish a new urban renewal authority to deliver this government priority.
7. Invest in skills. Government should maintain its investment in vocational education and training (VET) for both full qualifications and skill sets commensurate with the future skills needs of the industry. The ACT government should also work with Federal governments to ensure the VET system delivers quality training outcomes.

## **Conclusion**

The MBA ACT welcomes the opportunity to contribute to the 2016-17 ACT budget. As the leading ACT industry association representing the Territory's largest non-government industry, the recommendations in our submission are aimed at growing the overall ACT economy, in particular growing the private sector components of the economy. We believe that a more diverse economy, including a strong private sector, will ultimately benefit the building and construction industry and the interests of our members.

We would welcome the opportunity to discuss any aspect of our submission in further detail.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Hopkins', with a long horizontal flourish extending to the right.

Michael Hopkins  
Deputy Executive Director

