



MASTER BUILDERS
AUSTRALIA

BUILDING A SUSTAINABLE & RESILIENT FUTURE

Building & Construction Industry Sustainability Goals 2050

INAUGURAL REPORT

How Australia's building and construction industry is working to future-proof the sector and Australia's built environment





CONTENTS

1 Foreword

2 Our 2050 goals

3 Environmental goals

4 Social goals

5 Governance goals

STRONG BUILDING = A STRONG ECONOMY



435,000
Consists of over 435,000 business entities



98.7%
Are small business owners



10%
Accounts for 10% of GDP



1.29m
Employs 1.29 million people



47.9%
Trade apprentices work in the industry



\$246b
Performs over \$246 billion worth of work each year



Identified opportunities

- 1** National coordination & leadership
- 2** New & emerging technologies
- 3** Greater industry resilience & performance
- 4** Improved resource allocation



Identified risks

- 1** Federal Government policy changes
- 2** Policy inconsistency across state & territories
- 3** Economic volatility
- 4** Shifting stakeholder demands



FOREWORD

Embedding ESG as a cornerstone of a sustainable building and construction industry

The vision of Master Builders Australia is for a profitable and sustainable building and construction industry. To achieve this vision, we cannot just focus our attention on the here and now, but we also need a greater commitment and energy in the longer term to future-proof our industry and Australia's built environment.

To ensure we are progressing more effectively towards our vision, Master Builders has established the *Building and Construction Industry Sustainability Goals 2050*.

These goals articulate the ambition to achieve a more robust and sustainable industry in the long term by identifying material issues likely to affect business performance and developing actions to minimise the risks and/or maximise the opportunities of those material issues through an ESG governance framework.

Master Builders has identified eight material impact issues for the building and construction industry that require greater focused attention through an industry-led approach to improving the long-term sustainability of the industry.

The goals have been set to be achieved by 2050, with 2030 ambitions agreed upon for each goal, supported by three-year action plans to be measured annually.

An environmental, social, and governance (ESG) framework has been utilised to define the goals that need to be managed holistically as one input to maximise industry performance.

Our process and its identified outputs have been selected where Master Builders and its members will likely achieve the greatest success. We acknowledge that as an industry association, we don't make decisions for businesses, governments, or the public. Still, we have a leadership role to influence change in a manageable and sustainable way that enables the building and construction industry to be viable.

With a growing population, housing shortages, flatlining productivity and more significant environmental challenges, ESG-focused building and construction practices can shape a more sustainable future for businesses, their workers and the communities in which we operate.

We cannot achieve our ambitious goals alone. We will need to partner with our member associations and their members, other industry stakeholders throughout the building supply chain, and governments, to drive better outcomes for such an important industry to the Australian economy and community.

Collectively, we seek to embed practices into industry business models to generate stronger and more sustainable businesses that will create more jobs, create a better built environment, and contribute to a stronger economy.



A handwritten signature in black ink that reads "Craig Edmunds".

Craig Edmunds
National President



A handwritten signature in black ink that reads "Denita Wawn".

Denita Wawn
Chief Executive Officer

OUR 2050 GOALS

Master Builders Australia is committed to developing policies, partnerships and strategies in alignment with the selected material issues to future-proof the building and construction industry through a sustainable change management plan.



Environment

Net zero built environment

Buildings built to enable net zero emissions.

Resilient built environment

Building laws, standards, and performance are at an appropriate level to meet the health and wellbeing needs of our future population and contribute to better building outcomes.

Circular economy

The building and construction industry minimises its environmental footprint by reducing its quantum of waste, adopting best practice recycling programs, and minimising its water usage.



Social

Fair and safe workplace conditions

To achieve a sustained and ongoing reduction in fatalities and injuries within the building and construction industry.

Equality, diversity and inclusion

That the building and construction workforce reflects the Australian population.

Mental health

To ensure the building and construction industry is known as a sector that fosters and supports positive workplace mental health and has eliminated (or substantially reduced) the incidence of suicide amongst industry participants.



Governance

Business conduct

The structures, frameworks and relationships in the industry supply chain reflect a profitable and sustainable outcome for all.

Community engagement

That the industry has developed and implemented best practice standards in community engagement.

ENVIRONMENTAL GOALS

Ambitions and pathway

The construction and operation of our built environment is a major contributor to greenhouse emissions and environmental outcomes. The operation of buildings accounts for half of Australia's electricity use and almost a quarter of greenhouse gas emissions.

More sustainable building practices reduce the environmental impact of the built environment. Through leadership, we will assist the industry in achieving its full potential and contribute to tackling the climate emissions challenge that is underpinned by an evidence-based approach to transitioning new methods and practices.

Our three-year plan and 2030 ambition recognise the industry's capabilities, limitations, and opportunities for improvement. Collaboration and engagement with industry stakeholders, government bodies, and the broader community are being prioritised to achieve these objectives effectively.

Environmental sustainability is at the forefront of our goals. Master Builders aims to achieve a net-zero built environment. To support this, we are advocating for integrating necessary measures into the National Construction Code (NCC), considering the workforce, supply chain, finalised frameworks, and education processes. We are committed to managing risks, fostering innovation, and securing funding for ongoing industry education programs.

Creating a resilient built environment is another core focus area. Master Builders seek to ensure that building laws, standards, and performance are appropriate to meet future population health and wellbeing needs. We aim to incorporate necessary steps into the NCC and related standards through advocacy efforts, enabling better building outcomes and addressing high-risk issues.

Master Builders continues to advocate for planning reforms that promote consistency across levels of government (e.g., natural disaster resilience) and strive for regulated standards to be freely available.

Embracing the circular economy is integral to our sustainability efforts. By minimising the industry's environmental footprint through waste reduction, best practice recycling programs and efficient water usage, we aim to promote a more sustainable approach. We will develop partnerships and roadmaps to drive circular economy principles within the industry.

CASE STUDY

Partnering with other industry leaders - ASBEC

Master Builders has long supported the industry in meeting its net zero obligations and has formalised partnerships with stakeholders to better utilise the network or expertise on critical policy reform areas. This includes our membership of the Australian Sustainable Built Environment Council (ASBEC).

This partnership enables Master Builders to contribute to and participate in the collective efforts of built environment stakeholders in shaping policy and boosting sector capability that helps deliver more sustainable, decarbonised communities, effective regulation, codes and standards, and that improves Australia's new and existing building stock.

By addressing these priorities, we can create a more sustainable built environment that benefits both the industry and wider community.



Environment

Issue	2050 Goals	2030 Ambition	First three-year plan
Net Zero built environment	Buildings built to enable net zero emissions.	Identify and advocate Master Builders' position on the next steps to be incorporated into the NCC to support the move to net zero, including identifying the appropriate transition arrangements that consider workforce, supply, finalised frameworks, and education process. Create and implement a roadmap that: <ul style="list-style-type: none"> Recognises and manages risks that may arise in pursuing a net zero environment. Identifies innovation in the industry to mitigate risks and improve productivity in the move to net zero.. Funding secured for ongoing industry education programs to NCC, and regulated standards changes. MBA to facilitate greater engagement with building industry partners and the supply chain to support a sustainable net zero transition.	Develop a position on NCC 2025. Develop a roadmap of the substantial reforms that require appropriate transition, risk mitigation, education, and capacity-building processes to be effectively implemented. Identify key areas for industry innovation, establish and participate in forums and develop information tools for membership. Initial tasks include progressing: <ul style="list-style-type: none"> Development of an energy efficiency renovation guide. Work regarding product assurance, traceability, and net zero innovation. Work regarding the move to electric, gas transition. Re-establish MBA Green Living program on national basis. Establish a sub-committee to progress information/education content development on net zero. Establish partnerships with key stakeholders. Master Builders to utilise this network of expertise in the development of advocacy positions and education materials/information for member network.
Resilient Built environment	Building laws, standards, and performance are at an appropriate level to meet the health and wellbeing needs of our future population and contribute to better building.	Identify and advocate Master Builders' position on what should be the next steps to be incorporated into the NCC and related standards to ensure future buildings are fit for future through a sustainable transition process, including identification of the appropriate transition arrangements that consider workforce, supply, finalised frameworks, and education process. Better standards are delivered that enable better building outcomes for identified high-risk issues. E.g., waterproofing. Continue engagement with key industry partners on the development of standards. Regulated standards are freely available. Planning laws are reformed to meet the goal and are consistent across LGAs.	Develop a position on NCC 2025. Develop a roadmap of the substantial reforms that require appropriate transition, risk mitigation, education, and capacity-building processes to be effectively implemented. Continue to pursue free access to regulated Australian Standards to offset cost pressures and support better member access to regulatory guidance needed for compliance. Member network to advocate for reforms to local planning regimes to address disaster resilience risk and not leave the heavy lifting to only building code changes. Establish and/or continue partnerships with key stakeholders.
Circular Economy (water, waste, recycling, product design & industrial ecology)	The building and construction industry minimises its environmental footprint through reducing its quantum of waste, adopting best practice recycling programs, and minimising its water usage.	Identify and develop waste, recycling, and water efficiency targets and roadmaps. Other issues to consider in this work include flexible design, design for disassembly, embodied energy and industrial ecology.	Develop a Master Builders roadmap on the circular economy. Establish partnerships with circular economy stakeholders. Master Builders to utilise network of expertise in the development of advocacy positions and education materials/ information for member network. Identify and showcase Master Builders leaders that are applying waste, water, and recycling innovations on building sites.

SOCIAL GOALS

Ambitions and pathway

Master Builders is committed to fostering a socially responsible and inclusive building and construction industry. Our focus for social goals is for everyone in the industry to embed practices that ensure a safe and productive work environment for anyone wanting to work in the building and construction industry.

Fair and safe workplace conditions are a core focus. A sustained reduction in fatalities and injuries within the industry is a must. To address high-risk safety issues, we will continue collaborating with the Office of the Federal Safety Commissioner and SafeWork Australia, conducting education campaigns and showcasing technology solutions that improve safety.

Reviewing safety and dispute statistics helps us establish benchmark data, while exploring partnerships with industry bodies allows us to focus on commonly experienced site hazards. We also aim to develop and utilise workplace health and safety (WHS) lead safety indicators and create industry-specific online material resources to support small businesses.

We aim to ensure that the building and construction workforce reflects the diversity of the Australian population and fosters inclusivity. Our initiatives include maintaining and expanding the Women Building Australia Program, advocating for equality, diversity, and inclusion considerations in enterprise bargaining negotiations, and seeking amendments to relevant industrial awards to better accommodate the needs of a diverse workforce.

Master Builders will continue to call out attempts to implement ‘standardised’ or ‘pattern’ conditions in all forums that are inconsistent with achieving our goals.

Prioritising mental health is crucial for creating a supportive work environment. Our goal is to create a workplace culture in the building and construction industry that fosters positive mental health and eliminates or substantially reduces the incidence of suicide among industry participants. We are identifying preventative measures to reduce and mitigate psychosocial hazards and collaborating with specialist service providers to uplift mental health practices within the industry.

Through partnerships, resources, advocacy, and support programs, we aim to foster positive change and promote the safety and wellbeing of individuals within the building and construction sector.

CASE STUDY

Programs to increase female participation – Women Building Australia

Women currently make up only 13.6 per cent of the industry’s total workforce, 3 in 10 professionals working in the industry are women but only 3.5 per cent are building trades and technicians.

The construction industry attracts more male than female workers. Improving the attractiveness of the industry to women presents a massive opportunity to increase the pool of potential workers.

Women Building Australia aims to attract and support women to succeed in the building and construction industry.

Supported through a Federal Government grant, the program is delivered by Master Builders Australia through the following initiatives:



Career expos



National Mentoring Program



Female-led Business Register



Business Resilience Training



Harassment & Discrimination support line



Social

Issue	2050 Goals	2030 Ambition	First three-year plan
<p>Fair and safe workplace conditions</p>	<p>To achieve a sustained and ongoing reduction in the incidence of fatality/injuries within building and construction.</p>	<p>To work with the Office of the Federal Safety Commissioner and SafeWork Australia to target high-risk safety issues through education campaigns.</p> <p>Showcase technology solutions which assist to improve safety.</p>	<p>Review safety and dispute statistics to establish benchmark data.</p> <p>Explore partnerships with other sector-specific industry bodies to focus on commonly experienced site hazards.</p> <p>Continue work to develop, promote, and utilise WHS lead safety indicators to better monitor safety outcomes, including (for example) IS45004.</p> <p>Examine and develop a SME focused industry-specific online material resource.</p>
<p>Equality, Diversity, & Inclusion</p>	<p>That the building and construction workforce reflects the Australian population.</p>	<p>Maintain and expand the Women Building Australia Program.</p> <p>Encourage the industry, in EBA negotiations, to consider how work patterns are structured to encourage more equality, diversity and inclusivity in the workforce.</p> <p>Seek amendments to the relevant industrial awards to ensure patterns of work are structured to be more reflective of the needs of a more diverse workforce.</p>	<p>Secure three-year funding from 1 July 2024 for WBA program.</p> <p>Finalise "Bargaining Principles" document and promote through ongoing advocacy.</p> <p>Identify member examples of innovative EDI practices and promote them via social media/other campaigns.</p> <p>Revise and consider amendments to existing policy positions to reflect the three-year ambition and promote through ongoing advocacy.</p> <p>Consider outcomes of research underway on a five-day working week; audit against other similar research; identify opportunities for further 'in-field' trials sanctioned by relevant regulators/Governments.</p> <p>Monitor attempts to implement 'standardised' or 'pattern' conditions in all forums and call out any activity that is inconsistent with the three-year ambition.</p> <p>Identify relevant Award provisions requiring amendment and consider case prospects and approach to proceeding.</p>
<p>Mental Health</p>	<p>To ensure the building and construction industry is known as a sector that fosters and supports positive workplace mental health and has eliminated (or substantially reduced) the incidence of suicide amongst industry participants.</p>	<p>Identify preventative measures to reduce the prevalence of psychosocial hazards in the building and construction industry and then work with specialist service providers in any uplifts that can occur in the industry.</p>	<p>Desktop audit of existing service providers/resources to establish the scope of work.</p> <p>In light of recent regulatory changes, perform stocktake of existing/evolving legal obligations and develop construction-specific practical materials/resources to assist members in identifying common relevant psychosocial risks and hazards, with a SME focus.</p> <p>Identify member examples of innovative mental health practices and promote them via social media/other campaigns.</p> <p>Review various ongoing/existing industry-specific academic mental health research to explore partnership/bespoke research opportunities, with a particular focus on 'employer/director/SME' mental health.</p> <p>Ensure that Member Associations make members aware of the services they provide for members and encourage their use.</p>

GOVERNANCE GOALS

Ambitions and pathway

A profitable and sustainable building and construction industry requires all those along the supply chain to share risk, maximise certainty, and minimise volatility, in a manner that does not unduly impact the community.

Ensuring ethical business conduct is a key priority for Master Builders Australia and its members. Our 2050 goal is to establish supply chain structures, frameworks, and relationships that foster profitability and sustainability. To accomplish this, we seek to collaborate across the supply chain, focusing on key areas such as workplace relations, contracts, procurement, security of payment, and innovation in building materials and practices.

Improving business systems and acumen in the building and construction industry is crucial for enhancing operational efficiency, streamlining processes, and ensuring sustainable profitability.

By developing robust business systems and acumen, industry players can effectively navigate challenges, make informed decisions, and optimise resource allocation, ultimately contributing to their long-term success and growth.

Our goals aim to develop a roadmap to identify the problems that contribute to business stress and failure, comprehensively understanding existing arrangements' deficiencies, regulations' role, and the root causes of recent insolvencies.

In terms of community engagement, we strive to develop and implement model standards that enhance the building and construction industry's interaction with the broader community.

Master Builders is establishing a network dedicated to fostering engagement and enhancing the industry's reputation and are conducting a thorough review of the national awards program to ensure its effectiveness in showcasing the industry's positive contributions to the community.

We seek fair and effective solutions through evidence-based analysis and advocate for changes that promote sustainable and profitable outcomes. Master Builders is focused on addressing the cumulative burden of cost pressures associated with regulation, taxes, charges, and economic shocks through a productivity paper and advocacy plan.

CASE STUDY

Celebrating business best practice – Master Builders Business Excellence Awards

The National Business Excellence Awards recognise exceptional business acumen, business improvement and resilience initiatives, innovation, and corporate responsibilities, within a business.

The annual awards validate and celebrate the businesses which are leading the way in best practice, and which have genuinely instilled this objective into their long-term business strategy. The awards also aim to inspire all businesses in the building and construction industry, large and small, to make excellence in best practice the foundation of their mission and brand.

Edifice Construction is a regional Australia small business success story.

Award winning builders from Central Victoria, the business thrives thanks to the combined passion, expertise, and experience of its husband-and-wife founders Elissa and Dugald Campbell and their team that prioritises business excellence. As the business developed, Edifice put project management systems in place and showed a serious commitment to transform the financial management of their company. Working in tandem, these processes, clear contract arrangements and investment in staff as allowed Edifice to build effective relationships with suppliers and clients.



Governance

Issue	2050 Goals	2030 Ambition	First three-year plan
Business conduct	<p>That the structures, frameworks, and relationships in the building and construction industry supply chain reflect a profitable and sustainable outcome for all.</p>	<p>Identify and facilitate collaboration across the supply chain for industry productivity transformation in the key areas of:</p> <ul style="list-style-type: none"> • workplace relations, • contracts, • procurement including government procurement, • security of payment, • innovation in building materials or practices, and • de-globalisation of materials, workforce needs. <p>Work with Member Associations to encourage building and construction businesses to improve their business systems and business acumen.</p>	<p>Work with government on the development of construction sector innovation, and industry transformation.</p> <p>Develop a roadmap to understand the problems that give rise to business stress/failure – what currently prevents sustainable and profitable outcomes? This process should:</p> <ul style="list-style-type: none"> • objectively identify deficiencies or pressure points in existing arrangements/frameworks, • clearly understand the role that regulation did (or didn't) play in terms of preventing or avoiding insolvency, • support the development of solutions that are fair, tangible and effective, and • provide evidence-based clarity as to the true or root 'cause' of recent business failures in building and construction. <p>Develop and deliver productivity paper that identifies cumulative burden of cost pressures associated with regulation, tax, charges, and economic shocks.</p> <p>Develop and implement an advocacy plan on sharing contract risk, model procurement processes, and security of payment. The plan to include:</p> <ul style="list-style-type: none"> • Collaboration with a specific focus on organisations who advocate policy positions contrary to those of MBA to thoroughly understand why differences of view may exist, and garner support for issues where views are mutually supported. • Promote the use of fair contracts. • Develop a Clear 'Model' for Nationally Consistent Security of Payment laws. <p>Partner with key stakeholders on "Smart Business" information resources and tools to support more resilient business development.</p> <p>Finalise "Bargaining Principles" document and promote through ongoing advocacy.</p> <p>Review ABS Industrial Disputes data measures and develop policy position to advocate for data collection that incorporates previously un-measured types of industrial activity.</p> <p>Establish a <i>Productivity & Disputes</i> sub-group to identify industry-specific 'real world' measures of site productivity and disputation impact/costs.</p>
Community Engagement	<p>That the building and construction industry has developed and implemented model standards in community engagement.</p>	<p>Develop and establish a Master Builders network that enhances the industry's engagement with the broader community.</p> <p>Continue and enhance the national awards program to showcase the good work of builders.</p>	<p>Assess the potential for the use of the considerate constructors scheme (UK) in Australia or scope the option for an alternative proposal.</p> <p>Conduct a review of the two national awards program in terms of its delivery to enhance the reputation of the industry to the community.</p>



MASTER BUILDERS
A U S T R A L I A

Phone 02 6202 8888
Level 3, 44 Sydney Ave, FORREST ACT 2603
PO Box 7170, YARRALUMLA ACT 2600
www.masterbuilders.com.au



© Master Builders Australia Ltd 2023

This publications is copyright and all rights are reserved.
No part of it may be reproduced, stored, transmitted or
otherwise distributed, in any form or by any means
without the prior permission of the copyright holder.