

19 March 2020

Hon Anastacia Palaszcuk MP  
Premier and Minister for Trade  
PO Box 15185  
City East QLD 4002

Email: [thepremier@premiers.qld.gov.au](mailto:thepremier@premiers.qld.gov.au)

Dear Premier

I write to urge that you consider further measures to minimise the economic fallout of COVID-19 to the building industry.

Queensland's struggling building industry has been hammered by extreme weather, sliding building approvals, and now a global pandemic. We see no light at the end of the tunnel. When it comes to COVID-19 there is significant concern for our industry, especially the small family businesses that are responsible for half the turnover in our industry and cannot sustain prolonged periods of little or no activity.

The Queensland construction industry is the cornerstone of our economy. It is the largest provider of full-time jobs, employing over 247,000 Queenslanders. It contributes \$26 billion to the state's income; nearly one tenth of the total.

Now is a crucial time for the federal and Queensland Governments to focus on stimulus and relief measures for an industry that is on its knees. 2020 was always going to be a tough year but now with the impact of COVID-19 it imperative that governments act.

Over the coming months, there are some key opportunities for governments to provide support.

We welcome the early measures that were introduced to support businesses; particularly payroll tax relief and businesses loans. **As the crisis has now deepened, further measures are needed to support businesses.**

1. The Queensland Government should commit to delaying any new legislation or regulation until 2021. Changes to building industry laws scheduled for 1 July 2020 and strict enforcement of minimum financial requirements will spell disaster.

**HEAD OFFICE**

417 Wickham Tce, Brisbane Qld 4000

T (07) 3225 6444

F (07) 3225 6545

[mbqld.com.au](http://mbqld.com.au)

2. We need the Government to assist with the problem of liquidated damages on commercial projects where delays are being experienced due to product supply or labour shortages as a direct result of COVID-19. Liquidated damages provisions provide a significant risk to the ongoing viability of businesses if they are called on.


The Queensland Government must publicly announce that they will not pursue liquidated damages in any supply contracts due to impacts of COVID-19 and ask that private clients take a similar approach.

Going forward the Government should give consideration to the use of liquidated damages in contracts. Few contractors will have the confidence to commit to contracts with liquidated damages while the building supply chain is so uncertain. This could be viewed as an opportunity for the Government to lead the way on more cooperative contracts.

**Government must also take steps to ensure the ongoing pipeline of building work and keep the industry working.**

Looking to the experience of the Global Financial Crisis and programs like the Building the Education Revolution, Master Builders has identified a range of measures to help hold up activity in both the residential and commercial construction sectors.

3. Contribute towards cladding rectification on apartments and commercial buildings.
4. Increase Government capital expenditure on public buildings, with the initial focus on refurbishments and maintenance to get the projects moving quickly.
5. Bring forward spending on existing budgeted projects.
6. Bring back the Household Resilience Program to create work for the residential renovation sector and deliver long-term benefits for the community. The program (which ran from July 2018 – November 2019) was a resounding success in improving the resilience of 1,748 homes in cyclone-impacted regions from Bundaberg to Cairns, as well as delivering significant insurance benefit to homeowners.
7. Develop a new Program focused on helping fund homeowners to undertake renovations to make their homes more energy efficient (6-star requirements) or more accessible.
8. Bring back the \$5,000 boost to the First Home Owners' Grant in regional Queensland.



We have seen that this works. During the two years the Government last offered a boost, there was a 48 per cent increase in the number of grants, with a large number of these in regional areas. Increasing the grant also proved effective during the last global financial downturn, the GFC in underpinning demand and therefore jobs.

In addition we urge you to work with the federal Government to further increase the First Home Owners' Grant to \$40,000 and to expand the number of guarantees available under the First Home Loan Deposit Scheme; ringfenced to new construction.

Queensland needs support to get building again. We need solutions that will support businesses through the immediate crisis and underpin ongoing demand by encouraging consumers and investors to build new homes or invest in new projects. Without relief and stimulus measures and initiatives like these our industry faces a dire future.

We are urging the Government to consider these measures to ensure that the building and construction industry can continue its role as the cornerstone of the Queensland economy.

Regards,

**Grant Galvin**  
CEO

