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Australian Construction  
Industry Forum

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Forum

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# Building Australia's Future: ACIF's Policy Priorities for the 2025 Federal Election

We build Australia. Together.

[www.acif.com.au](http://www.acif.com.au)



## Stronger Policies for a Stronger Australia

ACIF stands ready to work with policymakers to shape a construction industry that is productive, inclusive, and future-focused. A robust construction sector means more jobs, better housing and infrastructure, and a stronger economy for all Australians.

We call on all political parties and independent candidates to prioritise construction policy in their 2025 election platforms and commit to the reforms that will secure Australia's built environment for generations to come.

Join us in building Australia's future.

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# Executive Summary

The Australian Construction Industry Forum (ACIF) represents one of the most vital sectors of the Australian economy and is the meeting place for leaders of the built environment in Australia. ACIF creates an active dialogue between key industry associations and the government with the end goal of a highly productive industry that supports government ambitions for communities and place.

Our members are among the most significant associations in the industry, spanning the entire asset creation process from feasibility through design, cost planning, construction and building and management. Combined our membership represents 24 associations, tens of thousands of businesses, and over 300,000 employees in the industry.

The Australian construction industry employs around 1.4 million Australians, and in 2024-25 will have an expected turnover of \$299 billion<sup>1</sup>. Therefore, the construction industry is one of the main drivers of the Australian economy. The industry's productivity and success are critical to the growth and success of the Australian economy.

However, the industry faces urgent challenges that must be addressed to ensure a sustainable and thriving future. Labour shortages, outdated regulatory frameworks, mental health pressures, and rising construction costs are threatening productivity, project viability, and workforce retention. Without immediate action, these challenges will compromise Australia's ability to deliver essential housing and infrastructure.

ACIF members are passionate about the future and tackling the most pressing issues facing communities. For this reason, many are involved in initiatives to address the issue of climate change and the built environment. This includes the work of the Australian Sustainable Built Environment Council (ASBEC) and the Infrastructure NetZero Alliance.

Given the importance of construction to the Australian economy and people, ACIF advocates that the federal government and all state and territory governments have dedicated construction ministers. This would result in better outcomes for the industry and enhance a critical sector of the Australian economy.

In 2025, ACIF is advocating the following six policy priorities:

- 1.) Drive cultural change to build fair, inclusive and respectful workplaces.
- 2.) Harmonise security of payment laws and provide better security of payment protections.
- 3.) Skills shortages in the construction industry to be addressed.
- 4.) Increase the affordability and accessibility of Australian standards.
- 5.) National Construction Code updates to remain at a three-year cycle.
- 6.) Address the issue of professional indemnity insurance for professions in the construction industry.

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<sup>1</sup> November 2024 ACIF Australian Construction Market Report





## 1.) Drive cultural change to build fair, inclusive and respectful workplaces

This includes support to enable a greater emphasis on mental health, wellbeing and suicide prevention in the construction industry; increase the number of women entering, remaining and advancing across all disciplines; and lower the number of average working hours.

### Support to enable a greater emphasis on mental health, wellbeing and suicide prevention in the construction industry

ACIF calls on federal and state governments to support and enable a greater emphasis on mental health, wellbeing and suicide prevention in the construction industry.

Every year in Australia over 3000 people take their own life. The vast majority of these are men. There is a good understanding that suicide rates are elevated in the construction industry which underscores the importance of promoting mental wellbeing as a means of reducing suicide.

Optimal mental health also makes good business sense. Investing in strategies to promote mental wellbeing can result in healthier, more engaged and more productive workforces.

Factors influencing the mental well-being of construction workers include work and employment conditions, relationships, stigma and help-seeking behaviour, alcohol and drug use, sleep and physical activity, diet and nutrition.

As outlined in the Summary Report: Mental Health in the Construction Industry (University of Melbourne), best practice recommendations for how the industry could move forward are:

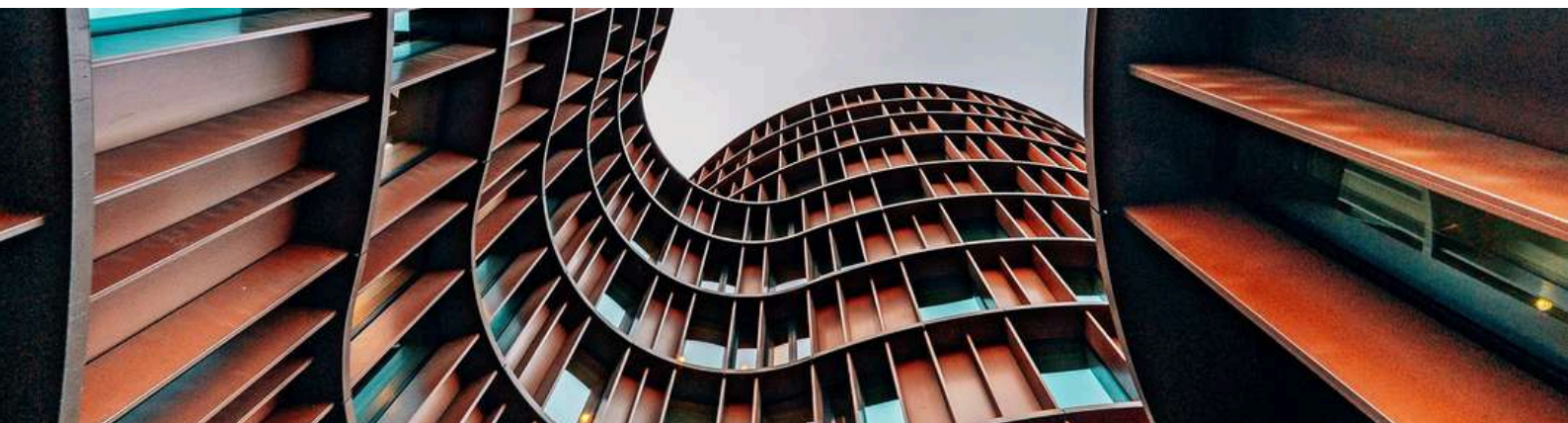
- Reduce harmful exposures at work (including reducing stigma)
- Promote positive aspects of mental health
- Provide mental health and suicide prevention literacy
- Facilitate early intervention and treatment
- Provide return to work and ongoing support

In addition, ACIF calls for mental health and well-being education for all apprentices in the industry.

### Increase the number of women entering, remaining and advancing across all disciplines.

Attracting, retaining and advancing women from diverse backgrounds is essential to resolving the skills gap persistent in the construction industry. It is also essential to building a sector capable of addressing future issues facing the sector and the community. Governments must recognise that the underrepresentation of women in the sector is not merely an attraction issue, but largely an issue of retention. We currently lose a significant number of women due to the working environment, starting in their first year of apprenticeships and training.

The current culture of the industry serves as a barrier to women joining and remaining in the sector and must be addressed. Research from organisations, such as the National Association of Women in Construction, demonstrates the significant impacts culture is having on women in construction. We cannot improve the experiences for women in the sector if industry culture is not addressed.



Some state governments have launched programs to attract more women into the industry with a focus on trades to address the immediate skills gap. However, further attention is required to improve the experience of those women once they enter the industry, so that we do not continue to lose women in the first year of their apprenticeships at a rate of 72%. Collaboration and learning across states and territories, and promotion of examples of businesses achieving good working environments that support retention of women, is necessary to further shift the dial.

ACIF calls on government to implement the following:

- Apply an evidence-informed, gender lens to policies and initiatives to ensure they will have a positive impact on attracting, retaining and advancing women in construction;
- Review and implement strategies and programs focused on how the construction industry can build skills and best be supported to ensure that the construction industry environment is a fair, inclusive and respectful one in which everyone can thrive, including women;
- Support industry to recognise transferrable skills and apply equitable and inclusive hiring practices to identify qualified female employees across all disciplines from trades to management;
- Help the industry to train and retain women by addressing the overt cultural issues which contribute to the current appalling rate of attrition;
- Directly utilise purchasing and procurement power to drive greater impact through policies such as 'gender on the tender' to incentivise companies with more diverse workforces, and to ensure that members of the industry have access to sufficient resources to help them both find and keep female staff in the non-traditional roles;
- Support the collection and monitoring of equity and inclusion data, and the implementation of targeted evidence-based initiatives informed by that data; and
- ACIF commends the NSW Government for introducing fee-free construction TAFE courses for women, and calls on other states to follow suit as part of a nationally- coordinated approach.

#### Lower the number of average working hours in the construction industry.

ACIF calls on governments to:

1. Utilise evidenced successes such as the Construction Industry Culture Taskforce (CICT)'s Culture in Construction Pilot Projects to demonstrate the benefits of implementing reasonable working hours that support worker wellbeing, time for life, inclusion and attraction and retention of women.
2. Promote the adoption of the CICT's Culture Standard which advocates for a cap on working hours, requiring organisations to program their projects to: (i) target that all workers work 50 hours or less per week, and (ii) ensure that no workers work over 55 hours per week.



## 2.) Harmonise security of payment laws and provide better security of payment protections.

### Overview

The non-payment of subcontractors due to head contractor insolvency continues to be a substantial issue in the construction industry. Numerous reviews have been conducted, with the most recent being a national review of Security of Payment Laws undertaken by John Murray AM in 2017. Following that review, many jurisdictions have enacted changes to security of payment frameworks, including to introduce trust accounts.

Despite reforms, we continue to see many small subcontracting businesses left out in the cold when builder insolvency occurs. Not only does this cause tremendous heartache to those directly affected, it also jeopardises our capacity to build the houses, hospitals, commercial buildings and other key forms of infrastructure needed to service a growing population.

We submit that Australia must take a different approach to better protect small businesses from non-payment.

A recent survey of subcontractors in the electrical, fire, HVAC and plumbing sectors, identified non-payment of subcontractors remains a critical issue in the construction sector. Unpaid subcontractors were from a mix of commercial and residential sectors (or both), with 21% identifying non-payment by a residential builder. Over half of respondents identified non-payment following head contractor insolvency. Where payment was not received, 65% of respondents stated no amount owing was received. 65% of respondents were owed an amount up to \$50,000, with 86% owed an amount up to \$100,000. 64% of respondents stated at least part of the amount owing was retention money.

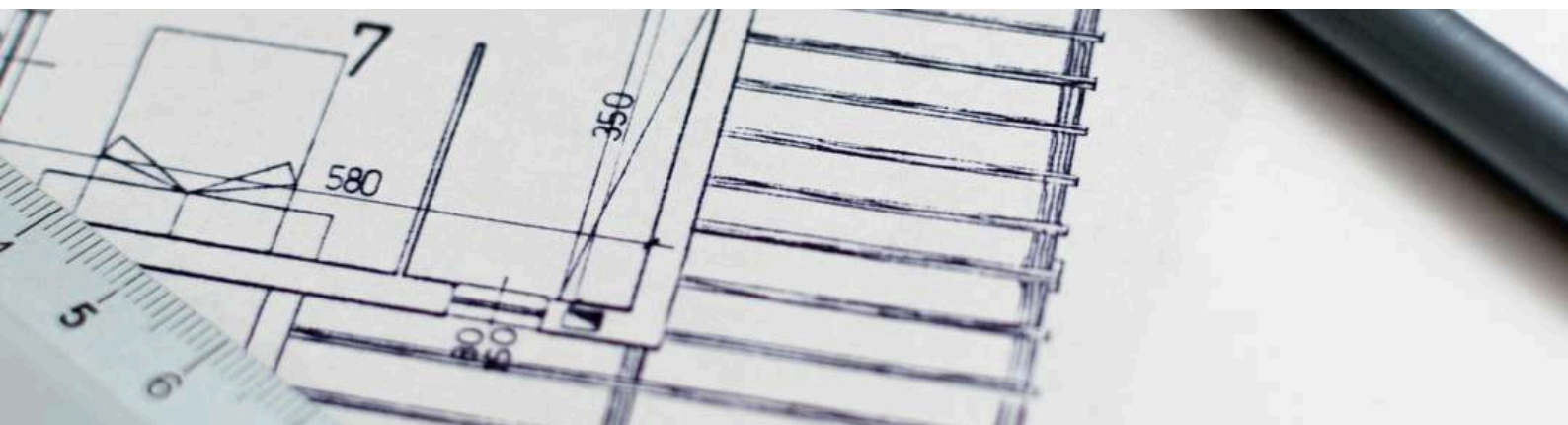
### Issues remain

Currently, there are several inherent challenges with trust account frameworks. Project trust accounts in Queensland have failed to see subcontractors paid following builder insolvency.

The money owing to subcontractors has not been available in the project trust account in the matters seen to date, and legal complexities have prevented timely distribution of any funds that may have been available. Even if funds were to be sitting in the account (which does not appear to be the case), they would almost certainly not include amounts for work completed in the one to two months prior to the head contractor becoming insolvent, due to timing of payment claims being made and client's legal rights.

In relation to retention trust accounts the following issues have been identified:

- The administrative cost and burden for businesses to establish the trust account and fulfil the obligations of trustee (including trust ledgers, audits, etc.).
- The lack of payment in a timely manner to subcontractors following head contractor insolvency.
- Head contractors demanding unconditional bank guarantees (or bonds) in lieu of cash retention to avoid the obligations of establishing a retention trust account, and the difficulties incurred by subcontractors in providing non-cash security including costs and non- return.





## What needs to be done

Tinkering at the edges has clearly not worked. Root-and-branch reform is required to adequately address this crucial issue. We propose additional reforms as follows:

- 1) Implement the recommendations of the Murray Review.
- 2) Holding of retention money by a central authority. This would operate similarly to the rental bond scheme, with a simple online process for deposits and withdrawals, on the basis the interest is used to (at least partially) fund a FEG-like scheme for subcontractors (see below).
- 3) Allowing non-cash security payments to be substituted with cash retention. It is often difficult for small contractors to obtain non-cash security without having the cash sitting in a secured account, and too often subcontractors struggle to receive the bank guarantee or insurance bond back from the head contractor. Rapid adjudication is not available for return of non-cash security, but is available for return of retention money.
- 4) There should be a legislated prohibition on linking subcontractor practical completion to that of the head contractor. Practical completion of subcontract works should not depend upon head contract (entire project) practical completion. To link the two results in delays for partial return of retention / security for the subcontractor. A head contractor can be adequately protected by linking final completion (defects liability period) if required.
- 5) Establish a federal scheme based on the same model as the Fair Entitlements Guarantee (FEG). This would guarantee payment to small contractors for work undertaken, subject to reasonable limitations. The scheme could be funded, to an extent, by earnings on the centralised retention holding scheme. Payments could be capped at \$50,000, for example, and maximum two payment claims. It could also be a requirement for the amount claimed to be assessed under a rapid assessment process – potentially utilising existing adjudicators or a panel of assessors. Any related entities of the insolvent head contractor would not be eligible for a payment. An added benefit is the federal regulator would have the ability to pursue individual directors of insolvent companies that failed to pay subcontractors, reducing the likelihood of phoenixing.

The above proposals would need to be combined with adequate education including CPD and business skills, noting a number of associations have an offering in this space.

Government cohesion on security of payment is needed, in terms of the federal, state and territory governments taking harmonised and concerted action on the issue. A procurement code of conduct is worth exploring.

## In Summary

For small and micro business owners, lost payments are their wages. It can result in those affected being unable to make a mortgage payment or pay for items for their children.

Construction industry subcontractors are a crucial artery in the Australian economy. With the industry already grappling with workforce shortages combined with an enormous pipeline of work, it is crucial that subcontractor non-payment be resolved with meaningful reform.



### 3.) Skills shortages in the construction industry to be addressed.

The issue of skills shortages have been of considerable concern in the Australian construction industry since 2020, due to the high attrition rate and additional demands placed on industry due to HomeBuilder and large-scale infrastructure projects. Currently, there is a once in a multi-generational infrastructure demand, and there needs to be adequate planning to develop the respective vocations and professions and the workforce numbers required.

State and federal governments and the construction industry can alleviate the skills shortages in the industry by:

- A properly funded, integrated, and resourced VET system that begins in year 9, and gives vocational training pathways equal recognition and status to tertiary pathways in the school system.
- Increase completion rates for apprenticeships, and improve the spending of training funding.
- Targeted funding for university courses for construction-related disciplines.
- Attracting and retaining more women in construction by an integrated approach of initiatives to improve workplace culture, school programs, mentoring support, flexible and gender-equitable hiring practices and employment models.
- Attracting more skilled migrants to Australia.
- Promoting on-shoring of production for critical construction materials.
- Promoting greater digitalisation from design to asset management to increase sector-wide efficiency and productivity.
- Promoting greater prefabrication in construction, to reduce time-frames and reduce the need for more skilled labour.
- Greater alignment of future workforce and construction planning.
- Encouraging greater interstate and intrastate migration in Australia, by ensuring that an Automatic Mutual Recognition of licences system is working effectively.
- Encouraging harmonised Continuing Professional Development (CPD) schemes in both occupational licences and professional disciplines across the Commonwealth.
- With professional recognition and licensing, there needs to be consistency, a commitment to upskilling and CPD with support of government, and government consultation regarding changes.
- Integration of trade skills in an ATAR pathway.
- A graduate program for employers should be considered, whereby they are assisted to employ graduates and support them through a licensing and accreditation program. New graduates still require significant on the job training before they can achieve their professional goals with licensing or accreditation which means the business wears the cost. Support for professional cadetship programs would help increase productivity and ensure we have highly skilled professionals in architecture, engineering, and surveying to support the construction sector.





#### **4.) Increase the affordability and accessibility of Australian standards.**

The issue of the accessibility and affordability of Australian Standards in the construction industry has for some years been one of concern. The Australian Construction Industry Forum (ACIF) takes the view that the standards referenced in the National Construction Code (NCC) must be freely available. There are around 120 standards referenced in the NCC, and these standards often reference many further additional standards. This means that a practitioner or business in the industry may need to access many hundreds of standards. The NCC set of Australian Standards is available for \$75 a month or \$900 a year, which is onerous for many businesses or sole practitioners.

This issue has serious implications for the safety and quality of buildings. In the last few years alone, construction disasters such as the La Crosse fire in the Melbourne Docklands coupled with the structural damages plaguing the Opal Tower in Sydney have compromised Australia's building quality and safety, ultimately undermining confidence in Australia's built environment.

One practical avenue to address this issue is to enable better access to Australian Standards, which will directly assist with improved understanding and application of these requirements to deliver higher quality and safer buildings. A direct outcome of this is increased confidence in the built environment.

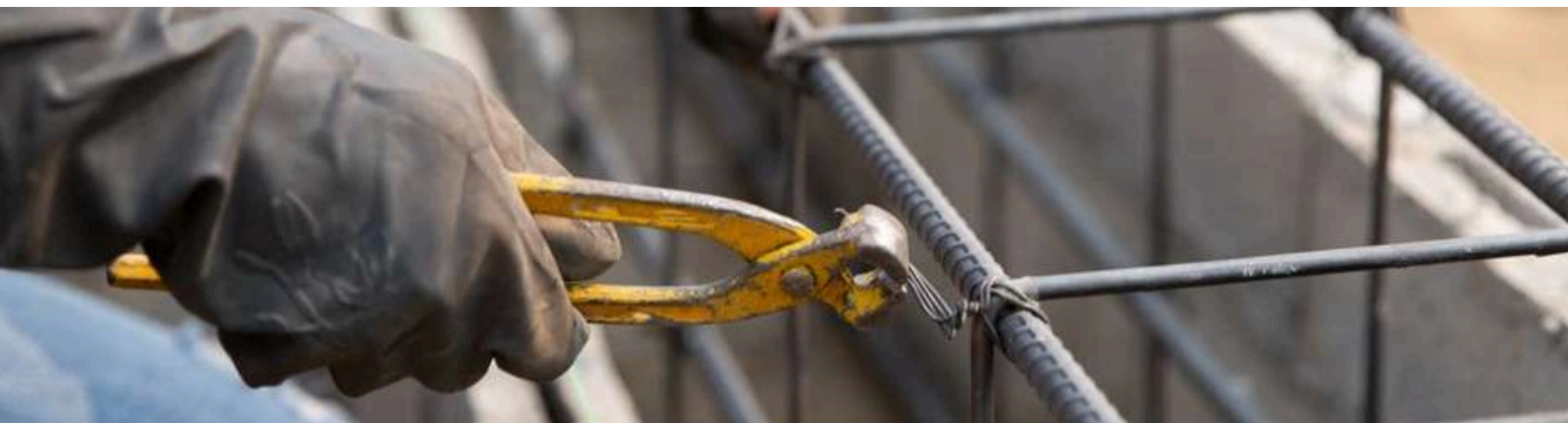
Better access to standards is both readily solvable and relatively inexpensive, and would be a useful contribution to better regulation.

The standards referenced in the NCC are developed through industry input and consultation, so it is remiss that the very same industry that contributed to these standards has to pay for them. Just as the NCC was made freely available, so should the standards referenced in the NCC. It is time for a more equitable arrangement for the industry to be considered.

While a smart phone app was created by Standards Australia to provide sets of standards for around \$100, this is of little or no use to professionals, who often need access to many more standards referenced in the NCC.

Standard Australia's Standardisation Guide 007 states that international standards should be adopted where available, and this would further help to reduce costs.

Accessibility improvements extend beyond affordability and must include better digital usability, searchability, and interactive functionality.



## 5.) National Construction Code updates to remain at a three-year cycle.

ACIF advocates that maintaining the National Construction Code (NCC) updates at the current three-year cycles is critical. Freezing updates would hinder progress on how buildings are constructed and reduce the ability to adapt to evolving environmental challenges.

Freezing the NCC would result in higher costs for building products. Manufacturers may reduce production, leading to reliance on imported and substandard products. This is at a time when there is rising costs of materials and labour, especially in trades like electrical and plumbing, which are contributing to higher construction costs.

Building Ministers must maintain the current three-year cycle, but to better align it with the program of work and bring all states up to date. Ideally, there should be an alignment of when changes to each iteration of the NCC comes into effect, with a set timeframe across Australia, such as 12 months after the edition is published.

Reductions in Australian Building Codes Board (ABCB) staff are seen as detrimental to the industry, as effective management of the NCC requires sufficient resources. Increased staff is needed to manage the workload as current resources are insufficient for the task. Resource limitations often result in issues raised by industry being deferred or not receiving adequate consideration. Seemingly minor regulatory changes can have significant cost and compliance implications for industry.

Freezing the NCC updates by some jurisdictions is a major issue for the industry, with potentially damaging long-term effects on the industry.

ACIF also notes the following:

The consultation process for the 2022 NCC update was inadequate and should not be repeated without proper engagement with the industry. There was too much change with little consultation.

Technology is advancing rapidly, and there is a struggle to keep up.

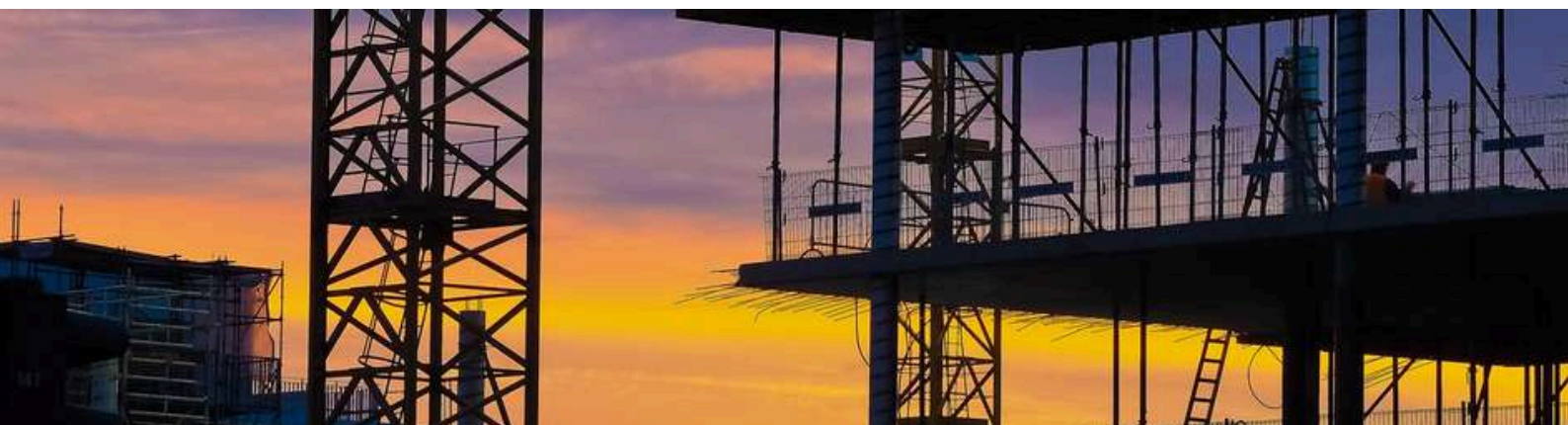
The certification process is becoming more difficult, and compliance is increasingly challenging across all states, adding pressure to the industry. There is concern that continuing to increase standards and mandate continued learning may leave behind certain parts of the industry, particularly those struggling to keep up with change. Experienced professionals are finding it hard to meet new requirements.

It is essential to understand the drivers behind rising construction costs, including weather factors and regional variations, to address affordability issues. Meeting increased requirements for the NCC differs by state due to climate factors, making it difficult to produce affordable housing at scale in areas with extreme weather conditions.

Increased complexity in building performance standards has led to push back from the industry, with many concerned about the added costs and difficulties in meeting the new requirements.

The ABCB needs to be aligned with all state and territory building regulators, as too many jurisdictions are developing legislation or requirements that are similar but not the same. This hinders industry with too much complexity in compliance.

The ABCB also needs to be aligned with Standards Australia and its roughly 300 committees. The misalignment between NCC-referenced standards and their revision cycles creates compliance challenges, with some standards remaining outdated for extended periods.



## 6.) Address the Issue of Professional Indemnity Insurance for Professions in the Construction Industry.

The issue of professional indemnity insurance in the construction industry is one of concern, and needs longer term solutions by federal and state governments. Professional indemnity insurance is an issue to be addressed for building certifiers, architects, quantity surveyors, surveyors, construction managers, engineers and other professions in the construction industry. Governments, professional institutes and industry associations should work collaboratively to address the issue for each profession as needed. Professional indemnity insurance is a problem due to the frequency and value of claims.

Some key initial steps needed to address this issue include:

- The implementation of the Building Confidence Report recommendations;
- Every state and territory to set up a body or departmental capability similar to the Victorian Cladding Taskforce, and the federal government to legislate and fund if certain states will not do this in a timely manner;
- All states that need to, pass legislation for professionals to operate with an exclusion for combustible cladding, specific to aluminium composite panels (ACP) and expanded polystyrene on existing buildings, and governments to underwrite that risk so that professionals can confidently remain in business and provide consumer protection.

Unfortunately, insurance is a global issue and adverse events in one part of the world affect premiums for everybody.

For professional associations, the establishment of a Professional Standards Scheme is one solution. However, these are costly and time-consuming to establish and maintain and do not provide immediate relief on premiums.

ACIF recommends options for professional indemnity insurance premiums to reflect the level of risk, the qualifications and experience of the holder(s), membership of a recognised professional association (these should have high standards of professional competence), mandatory CPD, written professional standards (technical and behavioural) and an assessment of professional competence before joining. The Tax Practitioners Board has a good framework for recognising professional associations. Instead of premiums being based on turnover they should be assessed against risk, as different projects carry different risks.

There should be greater recognition by all levels of government of the relevant professional associations who are doing much of the regulatory work. Mandating membership of an Australian professional association in conjunction with meeting requirements for a Professional Standards Scheme (which has legislated backing), would be one option.

For architects, there have been professional indemnity insurance policy exclusions regarding ACP cladding and increasing premiums. Some people in the industry are trying to extinguish proportionate liability clauses in contracts, and this should be prohibited. Governments need to step in and consider taking on more risk. There is an indemnity gap, and governments need to give advice on how to handle this.

Fire engineers are having issues obtaining insurance for large projects. As with architects, the court decision for the Docklands fire has created issues for fire engineers, as the certifier, fire engineer and architect were all deemed liable in varying degrees. The NSW Design and Building Practitioners Bill says all fire systems need to be designed and signed off before the building starts, and this should provide greater confidence for insurers.





# ACIF MEMBERS

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Air Conditioning and Mechanical Contractors Association

Australian Elevator Association

Australian Institute of Architects

Australian Institute of Building

Australian Institute of Quantity Surveyors

Australian Owned Contractors

Australian Steel Institute

Asset Management Council

Association of Consulting Architects

Building Designers Association of Australia

Consult Australia

Design Institute of Australia

Design Matters National

Fire Protection Association Australia

Insulated Panel Council Australasia

Interior Fitout Association

Master Electricians Australia

Mates in Construction

National Association of Women in Construction

National Fire Industry Association

PrefabAUS

Society of Construction Law Australia

Surveyors Australia

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