



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING, TRANSPORT, AND CITY SERVICES
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Submission Cover Sheet

Inquiry into Property Developers Bill 2023

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Standing Committee on Planning, Transport and City Services

By email: LcommitteePTCS@parliament.act.gov.au

RE: Inquiry into the Property Developers Bill 2023

The Construction, Forestry and Maritime Employees Union, Construction and General Division, ACT Divisional Branch (CFMEU) is one of the largest trade unions operating in Canberra, and represents over 2000 workers in the ACT construction industry. Our Union is dedicated to fighting for the rights and safety of our members, through securing better pay and working conditions, and ensuring greater health and safety on construction sites throughout the ACT.

The CFMEU has always stood at the forefront of the fight to improve the regulatory mechanisms governing the ACT construction industry. Our Union believes that an essential method of improving the safety, accountability and quality of construction in Canberra is through strong regulatory systems, such as enforcing compliance through licensing. The Union has advanced the licensing agenda at various levels of the construction industry, and has taken part in several inquiries in order to advocate improved licensing practices. This has included proposing the introduction of occupational licensing for trades such as carpentry and water proofing; advocating for stricter conditions on the licensing requirements of ACT builders; and pursuing the implementation of a licensing framework for the ACT Labour Hire Industry.

Accordingly, the CFMEU welcomes this important bill that would establish a nation-leading regulatory scheme in the ACT.

CFMEU has been vocal for some years about achieving effective regulation in this area, and we stand by our previous submissions; including:

1. [The Shaky Foundations Report](#) – released 2019¹
2. [Licensing of Property Developers in the ACT](#), as provided to the ACT's Build Quality Inquiry in March 2020²
3. **All Power, No Responsibility – An Effective Licensing Scheme for Property Developers in the ACT** – released 2022

¹ <https://www.cfmeu.org.au/sites/www.cfmmeu.org.au/files/uploads/CFMEU-Shaky-Foundations-FINAL.pdf>

² https://www.parliament.act.gov.au/__data/assets/pdf_file/0009/1287774/49-CFMEU-revised.pdf



But it's not just us – ordinary Canberrans are fed up with the cowboys in this industry as well – [with over three quarters of ACT residents supportive of stronger regulation in this area](#); and [more than 1100 Canberrans signing a petition in favour of this reform in 2022](#).

Currently, property developers are at the top of the construction process hierarchy, but are not subjected to the same degree of regulatory scrutiny as the builders and subcontractors working under them. This lack of regulation is fundamentally at odds with the duties they owe, both as a corporate citizen and a major player in one of Australia's most lucrative and important industries.

And it is lucrative - the profits that developers extract from their role in the building industry is indeed eye-watering. As a rule of thumb, a developer can expect to make a profit of 20% in any of the capital cities on the Eastern seaboard, even as this ticket-clipping drives up apartment and house prices to historic levels. If this wasn't bad enough, it has not even resulted in a stable and reliable pipeline of developments – the industry is beset by an alarming track record of corporate failure, burnt customers and building defects.

Beyond that, developers have also become far more intricately involved in decision making processes during the construction phase of a development, often themselves selecting the builders and subcontractors they wish to engage on a project and setting timeframes. This level of involvement carries an implied recognition of the heightened accountability on the part of the developer for the work of the contractors they select and the timeframes they impose. The Union believes that this increase in direct involvement should therefore correspond with a greater degree of regulatory scrutiny to ensure developer accountability.

While we applaud Minister Vassarotti in introducing this bill that addresses a real and growing problem in the sector, we do restate strongly the criticisms we have previously made of this scheme. We remain of the view that the reforms should be overseen by an independent Commissioner, with greater independence from the Minister. We are very much of the view that the scheme should extend beyond residential housing to capture the commercial sector as well, which has been significantly affected by corporate malfeasance and collapse. And perhaps most critically, the legislation does not include in its objects or goals any reference to building workers, the people who are actually constructing Canberra and remain first in the firing line when shonky developers drive businesses and projects under.

Although it hasn't adopted all of our recommendations, we recognise that after an exhaustive consultation process that has thoroughly considered the views of all stakeholders in the industry, the Bill as introduced represents a strong foundation for a stronger industry. We commend it to the Legislative Assembly.

Yours sincerely,

Zachary Smith
Secretary, CFMEU ACT