

Abolition of the ABCC an economic disaster

The proposed abolition of the Australian Building and Construction Commission (ABCC) being debated in parliament this morning would prove a devastating blow to one of Australia's most critical economic drivers, the building and construction industry, according to resource industry employer group AMMA.

AMMA chief executive Steve Knott said overwhelming evidence showed the independent regulator, the ABCC, had effectively brought stability and certainty to an industry historically plagued by union thuggery and industrial disputes.

"The Building & Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2011 proposes significant reforms that will hand industrial power in the building and construction sector back to union powerbrokers. The fact that this bill is again before parliament is very disturbing for employers, contractors and workers alike," Mr Knott said.

"These reforms will throw the construction sector back to the days where it experienced minimal productivity in the 20 years up to 2001/2002. It's no coincidence that credible, independent reporting has shown a 14.8 per cent rise in construction productivity since the ABCC was introduced in 2005 along with a reduction in industrial disputation.

"The annual economic gain of the reforms brought in with the ABCC has been around \$5.9 billion a year, while annual working days lost per 1000 in the construction sector dramatically reduced from 224 in 2004 to 24 in 2006.

"At the same time, building costs have fallen by 20-25 per cent with a reduction in project delays. Industry groups and employers right across Australia must question why the Federal Government is simply ignoring these hard statistics."

The Senate Education, Employment and Workplace Relations Committee will report on the provisions of the bill by 29 February 2012. But if the Bill is passed in its current form, the penalties for breaching building industry laws will be far lower than they are now. Fines will be slashed from \$22,000 to \$6,600 per breach for individuals and from \$110,000 to \$33,000 for corporations.

In addition, the new inspectorate's rights to call on workers for compulsory interviews to assist with its investigations will be substantially watered down by the Bill, while the circumstances under which workers can take legally protected strike action will be bolstered.

"Why the government wishes to lower the penalties for people who choose to breach its industrial laws is perplexing. This will act as a significant deterrent to curtailing unlawful behaviour in the building and construction industry," Mr Knott said.

"All of the proposed amendments in this bill will lead down the path to greater union powers, less certainty for investors and adverse impacts for the industry.

"In Queensland, Western Australian and the Northern Territory alone there is \$427.4 billion worth of resource projects either under construction or waiting approval to move into the building phase. These projects will create 60,000 Australian jobs by 2013, but apparently these staggering economic benefits are being ignored."

AMMA will be lodging a submission to the Senate inquiry on behalf of the Australian resource industry and encourages other industry groups to do likewise.

MEDIA RELEASE

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