

Resource project pipeline under threat by unlawful construction unions

UNLAWFUL union behaviour in the construction sector is putting at risk Australia's \$260 billion worth of approved resource projects, most of which are entering multi-billion dollar construction phases within the next few years.

Resource industry employer group AMMA says the federal government must act to ensure this morning's scenes of violence between CFMEU protestors and Victorian police in Melbourne do not once again become commonplace.

"Images of today's illegal union protests and militant activity will be projected onto television screens around the world," says AMMA executive director, industry Minna Knight.

"What message does that send to multi-national companies about investing in Australia?"

"When the government indicated it would abolish the effective construction industry watchdog, the ABCC, the resource industry warned there could be severe economic repercussions.

"Recent statements about future resource projects have ignited the debate around Australia's ability to compete for global capital. This global capital creates jobs and is central to a healthy national economy.

"There are \$260 billion worth of advanced resource projects in Australia's pipeline, with a vast level of that investment in construction works over the next three to five year period.

"Without the ABCC and the ability to often prosecute militant individuals behind such illegal action, the 90,000 new construction jobs forecasted on these resource projects remain under threat."

AMMA's comments come a day after Grocon boss Daniel Grollo told *The Australian Financial Review* that the CFMEU's Melbourne blockade was over the construction company's refusal to pay for union-appointed stewards on its worksites.

Grollo also alleged the union had arranged for hundreds of delegates not employed by Grocon to participate in the blockade; claims validated by media reports around this morning's violence.

"The government's own Wilcox Inquiry of 2008 found an unlawful culture is rife in the building industry and the ABCC had significantly improved productivity and workplace harmony," Ms Knight says.

"In 2009, the ABCC prosecuted 1300 union delegates during construction of the \$14bn Pluto LNG project. Through illegal activity, the union was costing the employer \$500,000 a day.

"Now, it appears we have gone back to the dark days of one set of rules for union bosses and one set of rules for everyone else. Productivity will decline even further and costs will escalate.

"Restoring an effective construction industry watchdog is a necessary step if Australia is to secure its strong pipeline of resource projects.

"AMMA urges the government to amend our workplace laws to stamp out unlawful union behaviour and restore certainty to Australia's investment environment."

For all media requests, contact Tom Reid on M: 0419 153 407 or E: Tom.Reid@amma.org.au.