



AUSTRALIAN INDUSTRY
GROUP



AUSTRALIAN CONSTRUCTORS ASSOCIATION

MEDIA RELEASE

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Building Industry Bill needs to be amended or vital reforms could be lost

The Australian Industry Group (Ai Group) and the Australian Constructors Association (ACA) are calling for a series of amendments to the Government's building industry workplace relations legislation, which we regard as essential to ensure that the reforms that have been so vital to the industry are not lost.

Ai Group Chief Executive, Heather Ridout, said: "While behaviour in the industry has changed - as is evident in the record low level of industrial disputation, high wages growth and higher productivity - a new culture has not yet been achieved or bedded down. Strong measures need to be maintained which involve treating the building and construction industry differently from other industries."

"Among the amendments being sought by Ai Group and ACA, is the removal of the provisions relating to the Independent Assessor. It is entirely inappropriate for the legislation to allow the compulsory examination powers of the Fair Work Building Industry Inspectorate to be "switched off". This would seriously undermine the effectiveness of the laws and is inconsistent with the recommendations of the Wilcox Review on the safeguards required," Mrs Ridout said.

The President of the Australian Constructors Association, Mr Wal King, said that without the amendments proposed by Ai Group and ACA there would be increased risks and costs.

"If the Fair Work Building Industry Inspectorate proves to be ineffective, the risks associated with increased industrial disruption to projects will be substantially heightened. This would lead to a return to the old days, where such higher risks had to be priced into construction contracts, leading to greatly increased costs for project owners (including Governments) and the Australian community," Mr King said.

The amendments to the Bill sought by Ai Group and ACA include:

- The "switch off" provisions relating to the compulsory examination powers of the Independent Assessor need to be deleted;
- The five year sunset provision applicable to the compulsory examination powers needs to be deleted and replaced with a review after five years;
- It is important that the existing higher penalties which apply to building industry participants for breaches of industrial law be retained; and
- The Fair Work Building Industry Inspectorate needs to focus upon ensuring appropriate and lawful industrial behaviour and preventing unlawful industrial action, and not have its resources diverted to dealing with underpayment claims which are best addressed by the Fair Work Ombudsman.

The proposed amendments are set out in a joint Ai Group / ACA submission to the Senate Standing Committee on Education, Employment and Workplace Relations which is inquiring into the *Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2009*.

Ai Group / ACA submission: <http://www.aigroup.com.au/policy/submissions>

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