

# Media Release



23 January 2012

## **ABCC Replacement Bill Poor Policy**

*Statement by Richard Calver, Acting Chief Executive Officer*

Master Builders Australia today labelled the Bill to replace the Australian Building and Construction Commission (ABCC) with a toothless tiger as a potential blow to the industry's productivity and to community welfare.

Richard Calver Acting CEO of Master Builders said "The community must not pay the price of persistent unlawful behaviour in the commercial building industry. The Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2011, now the subject of a Senate Committee inquiry, would give a green light to building unions to take even more unlawful industrial action. The Bill would reduce the maximum fines payable for unlawful action to one third of the current levels.

"This Bill, if passed, will adversely affect productivity. The industry's labour productivity since 2002 has out-performed predictions based on historical performance relative to other industries by 7.7 per cent. Multi-factor productivity in the industry was no higher in 2000-2001 than 20 years earlier but then accelerated by 14.8 per cent in the six years to 2007-2008. These productivity statistics are unambiguous.

"The first stage of new research commissioned by Master Builders continues to point to industry reforms leading to a significant productivity outperformance in the industry. The first report shows that the estimated gain ranges between 10 and 14.5 per cent. Clearly, the latest data indicates that the productivity results for the construction industry have strengthened.

"Stage one of the new research, with a second report to be released in February, shows that the entire community is better off through economic welfare gain and the significant lift in productivity and industrial harmony since the ABCC was established in late 2005, work which was commenced by its predecessor body the Building Industry Task Force in 2002.

"The exercise of the ABCC powers has delivered sustained productivity benefits to the construction industry and the general community. These substantial benefits reinforce the need for the continuation of an industry watchdog, 'the tough cop on the beat,' not the toothless tiger proposed in the Government's legislation."

**Contact: Richard Calver, Acting Chief Executive Officer, 0422 866 766**

Note to Editors: The study by Independent Economics entitled "Economic Analysis of Building and Construction Industry Productivity: 2012 Report (Stage 1)" is available at: <http://www.masterbuilders.com.au/InformationSheets/economic-analysis-of-building-and-construction-industry->