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ABCC ABOLITION A BAD SIGN FOR THE BUILDING AND CONSTRUCTION INDUSTRY

Today, the Australian Building and Construction Commission will be abolished. It will be replaced with the Fair Work Building Industry Inspectorate.

“This move will prove harmful for the building and construction industry, and the Australian economy,” said John Lloyd, Director of the Institute of Public Affairs’ Work Reform and Productivity Unit.

“The rule of law is now compromised beyond repair. Construction industry sources complain that the building unions are boasting that they are ‘back in control.’ They show no fear of, nor regard for, the new Fair Work Building Industry Inspectorate.”

As the former ABC Commissioner, Mr Lloyd questioned the ability of the new Inspectorate to effectively combat coercion and intimidation in the building industry.

“The new arrangements reduce penalties to one third of current levels. The powers of the new body are best characterised as restrained,” said Mr Lloyd.

“The Inspectorate will be unable to prosecute any case where the parties have reached a settlement. Construction unions will now press employers to settle disputes on union terms to ensure proceedings against unlawful conduct are not commenced.

“It will take a very brave employer to reject settlements and allow the law to be applied.”

Mr Lloyd also warned of the longer term implications for the Australian economy.

“This week has seen claims for wage increases of 37 per cent over five years against a national contractor.

“With the introduction of the carbon tax and the mining tax, the cost of doing business in Australia is set to rise. The last thing the Australian building industry needs right now is a return to the old days of unaccountable unions – and the consequent threats, coercion, low productivity and increased labour costs.”

For media and comment:

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