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Monday, 10th December 2012

FIGURES DO NOT LIE – BUILDING INDUSTRY OUT OF CONTROL

The Australian Bureau of Statistics has released quarterly data on industrial disputes for the September quarter 2012.

“Industrial disputation in construction soared to an alarming level. Construction recorded 62.7 days lost to industrial disputation per 1,000 employees. This is the highest figure since 2004” said John Lloyd, Director, Work Reform and Productivity Unit at the Institute of Public Affairs.

“The latest figure is in sharp contrast to past years. In June 2008 the figure was just 2.0 working days lost per 1,000 employees,” Mr Lloyd observed.

“The reason for this alarming trend is not hard to find. The abolition of the office of Australian Building and Construction Commissioner and the associated emasculation of penalties for unlawful conduct means that current deterrents for rogue conduct are virtually meaningless.

The new regulator has turned into a bureaucratic lemon. It is required to discharge a number of functions with reduced powers. Attention to stopping unlawful conduct has been lost amongst competing priorities.

A lax regime applies to construction and the industry’s participants know it,” Mr Lloyd stated.

The deterioration of the construction industry’s industrial environment has serious repercussions for the Australian economy. A number of industry sectors, led by the mining industry, are complaining about exorbitant construction costs and low productivity on projects. If not addressed, this will discourage investment in new projects. The costs of private developments and infrastructure will increase.

“The Gillard Government weakened the regulatory arrangements applying to the industry. It chose to ignore construction’s appalling history of industrial lawlessness, thuggery and intimidation.

“It is not surprising that the Victorian and New South Wales Governments have stepped in to fill the void created by the Commonwealth’s capitulation to building unions. The two states have established compliance arrangements for their government projects. The other state and territory governments should follow their example,” Mr Lloyd said.

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