

The Views of the Regulator: Summary of Presentation by John Lloyd, Commissioner ABCC

6 Sept 2007

The ABCC has had a demonstrable impact on the building and construction industry. The industry's workplace relations now are conducted in a more lawful manner.

Most in the industry acknowledged the need to change past practices and embraced the Government's reforms. The support for the reforms increased as the ABCC and the legislation were seen to be effective in curbing unlawful conduct. It is apparent that in the building and construction industry a strong regulator is required.

An important outcome of a more law abiding industry is the economic benefit for Australia. A recent study indicates that the building industry reforms have meant that Australia's GDP is 1.5% higher than it otherwise would be and the CPI 1.2% lower.

These results, after almost two years of ABCC operations are pleasing. However, a regulator such as the ABCC cannot become complacent. The industry's participants have a history of evading the responsibilities associated with judicious regulation.

The ABCC is looking at ways to meet future challenges and maintain the momentum to embed cultural change.

The ABCC will continue to be a highly visible and accessible regulator. Contraventions of the law continue to occur and currently the ABCC has about 110 investigations underway. We will be assessing how we improve the service to regional Australia.

The need to communicate with all levels of the industry is a fundamental responsibility. Clear messages in plain language will continue to be the ABCC's focus. We will remain available to meet face to face with any group. Opportunities will be sought to work with industry associations covering sub-contractors to enhance our communications with medium to small operators.

The implementation of workplace relations reform is inevitably contentious. We do not engage in any public debate about our existence and role. However, some involved in the industry have occasionally released incorrect information about our activities. The ABCC will continue to correct the public record when this occurs.

The achievement of sustained behavioural change requires the support of most in the industry towards the new law abiding environment. The ABCC would like to see a greater engagement from two groups of participants.

The first is the industry's clients. They are reaping considerable benefit from the reforms. However, their support for contractors committed to reform and standing up for their lawful rights is patchy. The Government has addressed this in part by strengthening the enforcement of the National Code of Practice. A greater awareness of the reform agenda amongst the industry's clients would I believe result in a stronger commitment to support builders. The second group is the unions. Unions who cover 22% of the industry's workers have been reluctant to engage with the ABCC. We obviously have some contact but would like this to be more frequent and of more positive value.

The National Code has been very influential in encouraging contractors to embrace reform of work practices. The enforcement of the Code will be an increasingly important responsibility for the ABCC.

The industry's participants are responsible for their workplace relations arrangements. Many of the agreements across the industry are inflexible and prescriptive. More flexible agreement outcomes would contribute significantly to improved productivity.