

# Quiet bill will shatter the peace

Proposed changes to the industrial relations regulator are worth fighting, writes **Peter Anderson**.

**A** controversial proposal is being debated in the federal parliament tomorrow. It affects industry in a big way and comes with a large potential cost to the economy. It elicits strong views, for and against. For some time independent experts have looked at the issue and been divided or undecided. The government is under political pressure to proceed even though it's risky policy.

It is not the government's Carbon Pollution Reduction Scheme Bill.

It is in fact legislation to abolish the industrial relations regulator overseeing the construction industry, the Australian Building and Construction Commission.

Instead of the ABCC investigating coercion and unlawful conduct by building unions or companies, the government says that a specialist division of its all-purpose new industrial relations body Fair Work Australia should do the job.

This bill won't have the same public profile as the emissions trading bills also being debated this week, but for small businesses it's just as controversial, economically risky and full of politics.

Controversial: the government is abolishing what a royal commission only six years ago said needed to be done. There aren't too many governments that get away with overriding royal commissions. Getting rid of the ABCC, for example, would be rightly met with howls of protest. Yet the ABCC is the IR equivalent of the ACCC.

Economically risky: the construction industry comprises almost 10 per cent of Australia's GDP. Tens of thousands of employees, tradespeople and contractors work directly in the industry, and many thousands more in the supply chain. If industrial

coercion and thuggery return, then the price extracted flows quickly onto small business and consumers.

Political: even though the ABCC was set up after a royal commission, the building unions think it is too powerful. They have put enormous pressure on the Rudd government to abolish the ABCC, giving the impression that it was part of the Work Choices system – which it wasn't and isn't.

What is perplexing about the proposal to get rid of the ABCC is that it has been fundamentally successful. It has forced an end to most unlawful and coercive industrial relations conduct by big construction companies and powerful unions. Each were the targets of scathing criticism and findings by the royal commission. Not only that, it has succeeded in a tough industry where past attempts by Liberal and Labor governments at state and federal level had failed.

It is also clear that the unacceptable conduct of the past is capable of returning, and there has been a recent upsurge in industrial disputes as the unions get more

confidence that the law will swing their way. The head of the ABCC, John Lloyd, has warned that while behaviour has changed, the culture of pushing around weaker parties hasn't.

The powerful construction unions in particular would be the winners from this change. Although some of the big companies have in the past been complicit in bad practices, they have now seen the benefits to productivity that come from

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workplaces where intimidation is outlawed and lawfulness actively enforced. Whether they do the right thing by their shareholders and contractors and not go along with coercion if the regulator is weakened remains to be seen.

As for the losers, it's definitely the trades, small businesses, independent contractors and

employees who want to go to work or tender for work on worksites where the normal freedoms and responsibilities of a modern workplace are respected and something is done to protect them if they are stood over.

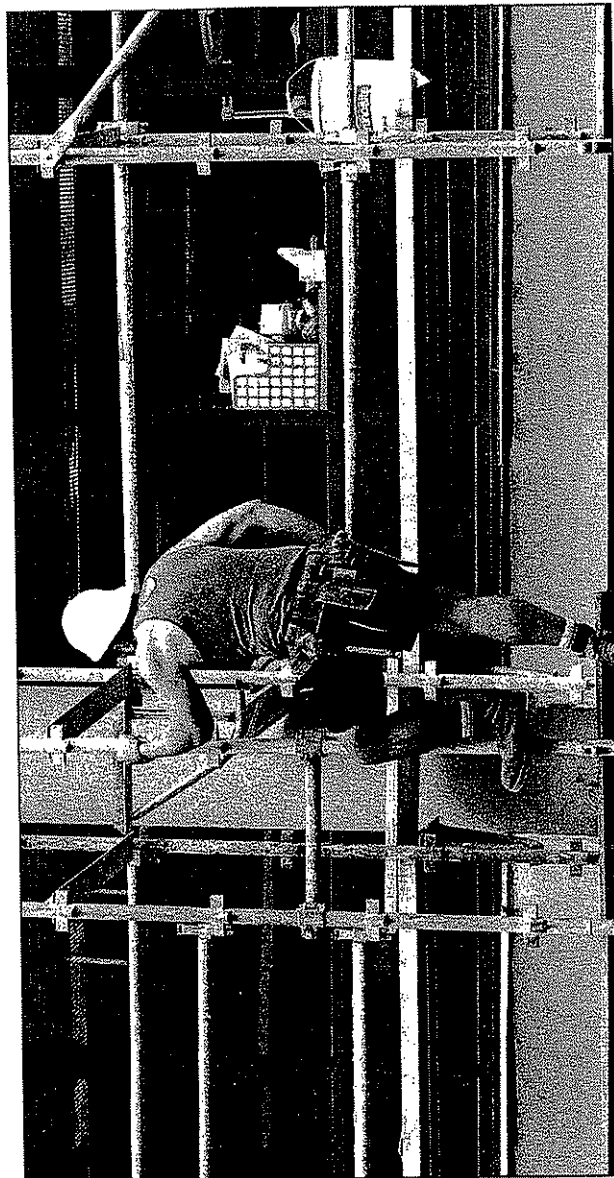


Photo: MICHELE MOSSOP

Tradespeople, independent contractors and employees all need protection from being stood over.

While the government says that the Fair Work body's building industry division will be able to do the job, that begs the question as to why this change is worth the effort. Getting rid of a regulator to replace it with another regulator is either a complete waste of time and money, or it is meant to change something.

The royal commission said that the little bloke needed a powerful regulator standing alongside them. The parliament should think twice, and say no to the government on this one. The balance might come down to independent senators Steve Fielding and Nick Xenophon. Given that the coalition is saying no, they have the perfect issue to show their small business credentials.

■ Peter Anderson is chief executive of the Australian Chamber of Commerce and Industry.