



"Nailing Construction Industry Rorts" - Opinion Piece
by
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The release of the Federal Government's draft legislation in response to the Cole Royal Commission Report into the Building and Construction Industry is a once in a generation opportunity to undertake desperately needed workplace reforms.

The Royal Commission submitted its report to the Federal Government in February, after 15 months of inquiry into workplace practices in the commercial construction industry.

It concluded the sector was riddled with a culture of lawlessness and coercion that damaged the interests of honest hard workers and the broader public interest.

Inter-union struggles have been played out on building sites, with employers agreeing to spiralling labour costs and inefficient work practices under the guise of so-called 'agreements' as the price for industrial peace.

Consumers, the public and small business have paid the price of the rorts and rip offs.

Laws providing freedom of agreement making, freedom of choice in union membership and freedom to choose who, when and how to employ, have not been adhered to.

The Royal Commission also revealed the abuse of collective rights through pattern bargaining, compulsory unionism, compulsory union agreements, union control over who works in the industry, coercion and unlawful conduct.

The building and construction industry is a crucial driver of economic activity in Australia with some 200,000 businesses employing about 7.5% of the Australian workforce (700,000 employees).

It contributes some 5.5% of Australian GDP, and more than \$40 billion a year in economic activity.

Based on independent economic analysis released by the Commonwealth, if the commercial construction sector matched the labour productivity of the housing industry then commercial construction would produce a one per cent increase in GDP, a one per cent cut in inflation and \$2.3 billion worth of benefits to consumers every year.



That is a goal worth striving for.

A free and productive industry will produce better outcomes for employers, contractors, employees and the public.

Some union officials with vested interests in maintaining their militant power have misrepresented the Cole report as anti-union, and attacked the man and not the issues.

Parliament must see through these self serving attacks.

The Cole Report is not opposed to union bargaining or unionism. Strong sensible unionism is as important as strong sensible collective representation of employers.

But the public will only begin to respect unions operating in the building industry if they respect the rule of law. If most union officials and union members in other industries can be law abiding then no less should be expected of building industry unions.

Parliament does not need to implement every recommendation of the Royal Commission to the last letter. But recommendations about industrial action, union rights of entry, a new industry regulator and enforcer of compliance, an end to coercive practices in agreement making, better corporate governance and increased sanctions and penalties for unlawful conduct are very important if serious changes are to be made.

Passing new and clearer laws is one thing. However, the industry has a key role to play. It cannot leave all of the heavy lifting on the reform front to the Government or the Parliament.

The industry must be prepared to change its own behaviour and culture. This includes clients, big constructors, employers, contractors, industry lawyers and consultants.

All have a part to play - not just unions.

The Cole Royal Commission has made clear what steps need to be taken. The time is now.