



**CIVIL CONTRACTORS
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INFRASTRUCTURE CANNOT RISK AN INDUSTRIAL RELATIONS EPIDEMIC

Australia's peak national body for the civil infrastructure sector said the Federal Government's *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022* has the potential to cripple the infrastructure sector by causing widespread industrial disputation and thereby threatening the livelihoods of thousands of civil construction companies and the workers they employ.

Chris Melham, Civil Contractors Federation National CEO said: "within 48 hours after confirming its commitment to retain the \$120 billion, 10 year rolling infrastructure investment program, the Federal Government has thrown a grenade into the infrastructure sector by confirming its intention to dissolve the Australian Building & Construction Commission and create industry wide uncertainty by introducing industry wide pattern deals".

"The most disappointing aspect has been the lack of open and transparent consultation by the Government in the formulation and delivery of this Bill to the Parliament which has caused significant industry uncertainty. It is also unreasonable for the Government to use the "Jobs and Skill Summit" as the platform for justifying the introduction of this Bill. This Bill in its entirety was not presented to the Summit, but rather a high level of indication regarding jobs, skills and productivity.

"Civil Contractors Federation supports this Bill being referred to a Senate Inquiry to allow stakeholders an opportunity to consider its content in more detail and put forward their respective positions, a process that should allow sufficient time for widespread consultation between industry groups and their members", he said.

"The infrastructure sector showed great resilience and commitment to the Australian economy by working non-stop through the COVID-19 pandemic keeping hundreds of thousands of workers in a job and this Bill in its current form now threatens the livelihoods of those workers and their employers – it will potentially become an 'industrial relations epidemic', Melham said.

"One of the key problems facing the construction industry in the past three decades has been low productivity compared to other sectors including mining and transport, **not because the workplace bargaining system is broke**, but because of poor industry financial outcomes brought about by inefficient and costly procurement processes, unfair contractual conditions, risk allocation, price escalation and supply chain issues.

"Removing the ability of individual employers and their employees the right to negotiate working conditions reflective of the worksite will almost certainly worsen productivity because the construction industry does not operate in a "one size fits all" environment", he said.

"Further, contrary to claims that the Australian Building and Construction Commission (ABCC) is "*politicised, discredited and unnecessary...*" the following facts demonstrate the ABCC has been apolitical and proven extremely effective as an industry watchdog overseeing the behaviour of both unions and employers on construction sites and contributing effectively to industry viability.

"The peak voice of the Civil Construction Sector"



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1. Between 1 July 2019 and 30 June 2022, the ABCC received reports from contractors in which contractors reported **9,133** separate instances of delayed or unpaid payment claims.
2. The delayed or unpaid payment claims reported to the ABCC total **\$873 million**.
3. Of the matters reported to the ABCC, the ABCC identified 'potential issues' in 58% of cases and achieved voluntary rectification in 97.4% of cases. ¹

"Retention of the ABCC is paramount until the Government can demonstrate the alternative regulatory framework will deliver an even more robust compliance and enforcement regime.

"The Civil Contractors Federation looks forward to working with the Government and the cross bench to ensure the avoidance of any unintended consequences that may cripple Australia's infrastructure sector and jeopardise the livelihoods of thousands of civil construction companies and their workers", Melham concluded.

Media

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¹ Australian Building and Construction Commission Security of Payment 3-year Activity Report, between 1 July 2019 and 30 June 2022: