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media statement

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Abolishment of ABCC risks greater unlawful industrial action on WA construction sites

Statement by David Harrison, CCI General Manager, Advocacy

Today's decision by the House of Representatives to abolish the Australian Building and Construction Commission (ABCC) is a bad one, which business fears will encourage more union bad behaviour on local building sites.

Scrapping the construction industry's cop on the beat makes no sense, and shows how out of touch some of our elected representatives are with the needs of business.

The ABCC was established in 2005 after a Royal Commission lifted the lid on some of the illegal and disruptive industrial tactics used by unions.

Before the creation of the ABCC, it was common for construction firms to set aside significant amounts of money knowing that union action would hamper their ability to deliver the project on time and on budget.

Australia's reputation as a place to do business is also at risk if bad union behaviour seeps back into building and construction industries. Winding back the strong penalties and industrial laws will send the wrong signal to businesses looking to invest in Australia and will undo much of the gains made in stamping out unlawful industrial action.

The construction sector was worth \$19.6 billion in 2009-2010, representing 11.2 per cent of the state's economy. Reducing current compliance powers and penalties could compromise these WA projects.

Unless there is a strong watchdog in the construction industry, like the ABCC, there is a risk that costs of local projects will rise and Australia will become a less competitive place to do business.

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