



13 March 2009

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Dear Mr Wilcox

Thank you for providing the Australian Industry Group with the opportunity to participate in the recent forum conducted by the University of Melbourne Law School.

I understand from your comments at the forum and subsequent public statements that you are still finding it difficult to understand why the construction industry should be treated differently from other industries given the gap has been substantially closed by the provisions of the WorkChoices legislation and the Government's Fair Work Bill proposals.

I thought it may be helpful to provide a further comment on this issue.

It is the Australian Industry Group's view that, in general, there should be one law for all Australians.

The industrial laws arising from the Royal Commission have treated people working in the construction industry differently than people working in other sectors. The different approach reflects the fact that behaviour in the construction industry was so far removed from the standards enjoyed by other working Australians, that strong measures were required.

At some point in the future the special provisions applying to people working in the construction industry may be able to be removed – but not until the conduct in the industry reflects the standards of contemporary Australian society.

That is why in our earlier submissions to you we argued that the new construction industry Specialist Division within the office of the Fair Work Ombudsman retain

- Independent high-level leadership;
- The support of strong legislative powers similar to those contained within the BCII Act;
- A well-trained and well-resourced specialist construction industry inspectorate focussed on compliance and enforcement;
- Strong regulated Commonwealth procurement policy utilising the National Code and Implementation Guidelines.

There is a union presence in significant sectors of the construction industry that has evolved over time as a result of militant aggressive campaigning for employment entitlements that are superior to those generally enjoyed in other industries.

This type of campaigning supported a culture of continual expectation for the expansion of entitlements by use of industrial strength, irrespective of other community standards and the state of the economy.

If one accepts that the findings of the Cole Royal Commission, based on the evidence of over 700 witnesses, were valid, then the challenge is to ask whether the circumstances of the industry have changed so dramatically and in such a short time, that the measures arising from the Royal Commission are no longer relevant.

It is our view that the transition has not yet been made. Strong regulation has changed industrial behaviour but we have not yet made the long term cultural change and many of the protagonists responsible for the state of the industry prior to the Royal Commission are still in the industry and have shown no willingness to change their traditional behaviour.

We strongly believe that it is premature to remove the strong measures that have been used to restore the industry to stability. Thank you for the opportunity to make this additional comment.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Heather Ridout', with a horizontal line underneath.

Heather Ridout  
Chief Executive  
Australian Industry Group