



Federal Budget 2004-05

Fact sheet — Government committed to Reform in the Building and Construction Industry

The 2004-05 Federal Budget provides funding of \$136.3 million over four years to fund a package of reforms to set new standards and achieve cultural change in the building and construction industry.

The reform package builds on the Government's initiatives announced on 2 April 2003 in response to the Final Report of the Royal Commission into the Building and Construction Industry.

The reform package will:

- extend the Building Industry Taskforce to 30 June 2005;
- establish the Australian Building and Construction Commission, scheduled to commence operations in 2005-06;
- establish a Federal Safety Commissioner, also scheduled to commence operations in 2005-06; and
- provide funding to the Department of Employment and Workplace Relations to support continuing workplace reform in the industry.

Building Industry Taskforce

The Interim Building Industry Taskforce was established in October 2002 in response to the first report of the Royal Commission. The Taskforce is charged with ensuring the rule of law applies in the building and construction industry.

On 25 March 2004, the Minister for Employment and Workplace Relations, Kevin Andrews, announced that the Interim Taskforce would now be called the Building Industry Taskforce (Taskforce), reflecting the Government's commitment to a permanent enforcement body.

The Taskforce will continue to operate until the passage of the Building and Construction Industry Improvement Bill and establishment of the Australian Building and Construction Commission (ABCC).

The Government has committed \$9.0 million to the Taskforce in 2004-05.

Australian Building and Construction Commission

The ABCC will be an independent statutory agency that will tackle unlawful and inappropriate behaviour by investigating, enforcing and prosecuting suspected breaches of the proposed Building and Construction Industry Improvement Bill, the *Workplace Relations Act 1996* and the National Code of Practice for the Construction Industry (National Code) and Australian Government Implementation Guidelines.

The ABCC will ensure that disputes within the industry are resolved in accordance with agreed dispute mechanisms so that the rule of law prevails instead of industrial thuggery.

The ABCC will have offices in Melbourne, Sydney, Brisbane and Perth. These key offices will service the Northern Territory, South Australia, Tasmania and the Australian Capital Territory.

Federal Safety Commissioner

The Royal Commission found the occupational health and safety (OHS) performance of the building and construction industry to be unacceptable. Further, industry participants are dissatisfied with existing legislative frameworks and their enforcement by relevant inspectorates and agencies.

The construction industry ranks in the top three of all industries for the number of injury and disease related fatalities in the workplace. It also ranks in the top five for incidences of workplace injuries and disease.

The Federal Safety Commissioner (FSC) will be located within the Department of Employment and Workplace Relations and will use the influence of the Australian Government as a client and provider of capital to foster improved OHS performance in the industry.

The FSC will drive cultural reform in the industry by administering a pre-qualification scheme, focused on OHS, for those wishing to tender for Australian Government construction work. The FSC will have an obligation to promote enhanced OHS arrangements in the building and construction industry. The FSC will also administer the OHS aspects of the National Code and Implementation Guidelines on Australian Government-funded projects.

Extra resources for the Department

The department will provide ongoing policy advice on the progress of the implementation of the Royal Commission's recommendations and ensure that workplace relations arrangements on Australian Government construction projects comply with the National Code and Implementation Guidelines.

The Government has committed funding of \$9.5 million over the next four years for this purpose.