

Cabinet Approves Building Industry Reform Strategy

The Federal Government is to implement a major reform strategy in the building and construction industry. The strategy is designed to achieve structural change and efficiency gains in the industry.

The strategy was announced on 25 July 1991 by the Minister for Industrial Relations, Senator Peter Cook, and the Minister for Small Business and Customs, David Beddall.

The strategy approved by the Government includes the establishment of:

- a tripartite Building and Construction Industry Council;
- a Building and Construction Industry Reform and Development Agency.

Key elements of the strategy include the introduction of a code of conduct and performance requirements for contractors tendering for Government contracts.

"The importance of the reforms cannot be underestimated", the Ministers said.

"The building and construction industry's output now represents almost 8 per cent of Australia's Gross Domestic Product - a similar output to that of the agriculture and mining industries.

"It's estimated that inefficiencies in the industry cost Australia \$4 billion per year.

"Inefficiencies include lost time, labour turnover, restrictive work and management practices, inadequate training, restrictive building regulations and low literacy levels.

"The Government believes that the industry itself must demonstrate that it has a real and genuine commitment to the reform process.

"Therefore, implementation of the strategy is dependent upon the conclusion of an Industry Reform Agreement between employer representatives, unions and the Commonwealth.

"Negotiations have begun with the parties which are expected to be completed over the coming weeks", the Ministers said.

The Building and Construction Industry Council will be chaired by Senator Cook and Mr Beddall, with membership drawn from senior industry representatives.

The Council will provide a national and authoritative industry voice.

The reform function of the Building and Construction Industry Reform and Development Agency will be to facilitate labour market changes, including award restructuring, restrictive work and management practices, and model building sites.

The development functions will be to enhance performance and quality in the industry.

The Agency will report to Senator Cook, the Deputy

Prime Minister and Minister for Health, Housing and Community Services, Mr Howe (responsible for housing), the Minister for Administrative Services, Senator Bolkus (responsible for contracts and tendering), the Minister for Employment, Education and Training, Mr Dawkins (responsible for skill formation), and Mr Beddall (responsible for industry development).

The Agency will be established for a period of three years.

The Government expects a financial contribution from the industry itself towards the implementation of the strategy.

Further details on the strategy, including Commonwealth funding, will be announced in the Budget.

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