



# MEDIA RELEASE

## Australian Mines and Metals Association

---

25 July 2007

### **ABCC is Essential for Mining Industry Success**

The Australian Mines and Metals Association (AMMA) today welcomed the release of Australian Building and Construction Commission's commissioned study into the economic impact of the ABCC's role in the construction industry.

The study, completed by Econtech, provides conclusive proof that there is a direct link between productivity and the maintenance of industrial peace. The study also showed that the reigning in of unlawful union conduct has had a positive impact on the wellbeing of every Australian.

Chief Executive Steve Knott said "We particularly welcome the report's finding that the BCII and the ABCC framework could not operate effectively in the absence of the Workplace Relations Amendment (Workchoices) Act 2005. As the report stated, the Workplace Relations Act contains crucial provisions in relation to right of entry, unlawful industrial action, pattern bargaining, freedom of association, payment for lost time, secret ballots and prohibited content. All these provisions are essential for the effective regulation of the construction industry."

Mr Knott referred to the Australian Mines and Metals Association's own research paper *Constructing Lawful Workplaces*, released in early July, stating that "When the resources sector recently warned that \$130 billion worth of projects may be at risk in an environment where unions are allowed to run rampant, this was not an idle concern. The resources sector relies on a stable and productive construction sector to provide the infrastructure necessary to maintain the record high production numbers we are currently experiencing."

"Its time for the ALP to recognise the critical importance of the continued existence of an effective compliance regime, which must include the ABCC."

"AMMA and its members believe that the ABCC has played an important role in enforcing the previously ignored 'rule of law' in the construction industry. The fact that union officials and the ACTU seek the destruction of the ABCC is demonstrative of the impact the 'policeman' is having on unlawful behaviour. Law abiding employers, unions and workers have nothing to fear from the ABCC."

The ABCC report found that the mining industry benefited in the following ways from the industrial relations reforms in the construction sector:

- Prices have reduced by 1.7%
- Because of the price-sensitive nature of demand for the mining industry's products, this price reduction leads to significant production gains of 5.4%.
- Increased employment by 3.4%.

Mr Knott stated "The construction sector is vitally important to ensuring the resource sector's continued contribution to the Australian economy. In order to meet the future resource demand further investment in projects and infrastructure is needed. Evidence

Media Contact:

Troy Cush, Marketing and Communications Specialist

T: 07 32100313 M: 0408 334392 F: 07 32100291 E: troy.cush@amma.org.au

7/25/2007



# MEDIA RELEASE

## Australian Mines and Metals Association

---

of the markets confidence in the Australian resources sector can be found in the proposed investment of \$130 billion in 275 mining and energy projects. These investments will result in increased employment opportunities in construction (potentially as many as 21,600 jobs) and ongoing operational roles (potentially as many as 54,000).”

In a damning example of the damage that can be done if union power is left unchecked in the construction industry, the report describes one of the case studies used by the researchers, in which a construction company was found to have incurred \$58.5 million in additional costs on a construction project for paying union delegates that were employed but not working.

For further comment please contact:

Steve Knott,  
AMMA Chief Executive  
Ph: 0419 918 408

Or

Christopher Platt,  
AMMA General Manager of Workplace Policy  
Ph: 0419 897 955