

- That prevent unlimited ordinary hours worked per day
- That guarantee the employee's ability to have a day off on Christmas Day and Easter Sunday, Public holidays etc.
- That encourage employment of apprentices
- That discourage discrimination against mature workers
- That include agreed stable and secure shift arrangements or rosters
- That ensures construction workers conditions and entitlements cannot be eroded
- That provide for equality and fairness onsite for construction workers
- That impact on the rights of construction workers to have a safe workplace.

The Building Code does not only prohibit 'union friendly' clauses. The Code prohibits 76 Clauses in a construction FTU Agreement, including clauses:²

FACT

Major existing employment conditions for construction workers will be prohibited.

ISSUE

- The code applies to:
- 1 All employees working in the private sector of the entity tendering for government work
 - 2 All entities that supply transport or prefabrication manufacturing to government jobs
 - 3 Other entities that include contracting or transport suppliers

The building code does not only apply to employers tendering for government construction projects.

FACT

More than 1 million Australian workers will be impacted by the new Code¹.

ISSUE

Building and Construction Industry (Fair and Lawful Building Sites) Code 2014

KEY FACTS

Additional Estimates 2014-15
Education and Employment Committee
Document number: 3
Date and time: 12:45 PM 10/4
Tabled by: SENATOR MCKENZIE

ISSUE

The code will increase costs and risks to companies - and remove conditions to maximise labour productivity.

FACT

The Code introduces 8465 words of prescriptive red tape, removing entities' managerial rights to employ staff in accordance with their own commercial practices.

The major cost will be the cost to productivity from removing the conditions which have underpinned high productivity in construction – including the productivity and motivational effects of:

- Workers perception of 'fair day's pay for a fair day's work'
- Respectful and trusting relationships with their employers and across work sites
- Safe working hours and conditions.

FACT

The Code introduces unprecedented government intervention, auditing, compliance costs and liabilities to businesses.

- There will be an operational cost of having to negotiate with employees to lose pay, conditions, job security and access to their representatives
- Legal and operational resources to revise project planning scheduling, re-contracting and monitoring of providers
- To comply with the code obligations on a daily basis
- Increased insurance costs to cover increased risks and liabilities, ie the cost and liability increase for commercial builders of having contractors or other suppliers 'banned' by government.

ISSUE

Labour productivity growth in construction does not justify this extreme government intervention

“On macroeconomic figures, it is impossible to identify any problem in the Australian construction industry, compared with the rest of the market sector in Australia, insofar as labour productivity performance is concerned”;

David Richardson, Economist

FACT

- Total productivity in the construction sector is 24% higher than the Australian industry average
- Productivity in the heavy and civil engineering construction sector is 53% higher than the industry average
- Productivity growth in construction has matched, or exceeded productivity growth in the market sector since 1994-95
- Since 2008 labour productivity in the construction sector has grown annually by 4.81%
- Since 2008, labour productivity in the heavy and civil engineering sector grew annually by 6.38% This compares to the average for all industries of 3.52%
- The growth in labour productivity in the construction sector has been 36% higher than Australian industry average.
- Labour share of income in construction has been steadily falling over time.

From a profitability perspective, major projects and building construction “have displayed very high productivity and have very high productivity growth rates.”

David Richardson, Economist

The Australia Institute

Research that matters.

KEY FACTS

Building and Construction Industry (Fair and Lawful Building Sites) Code 2014

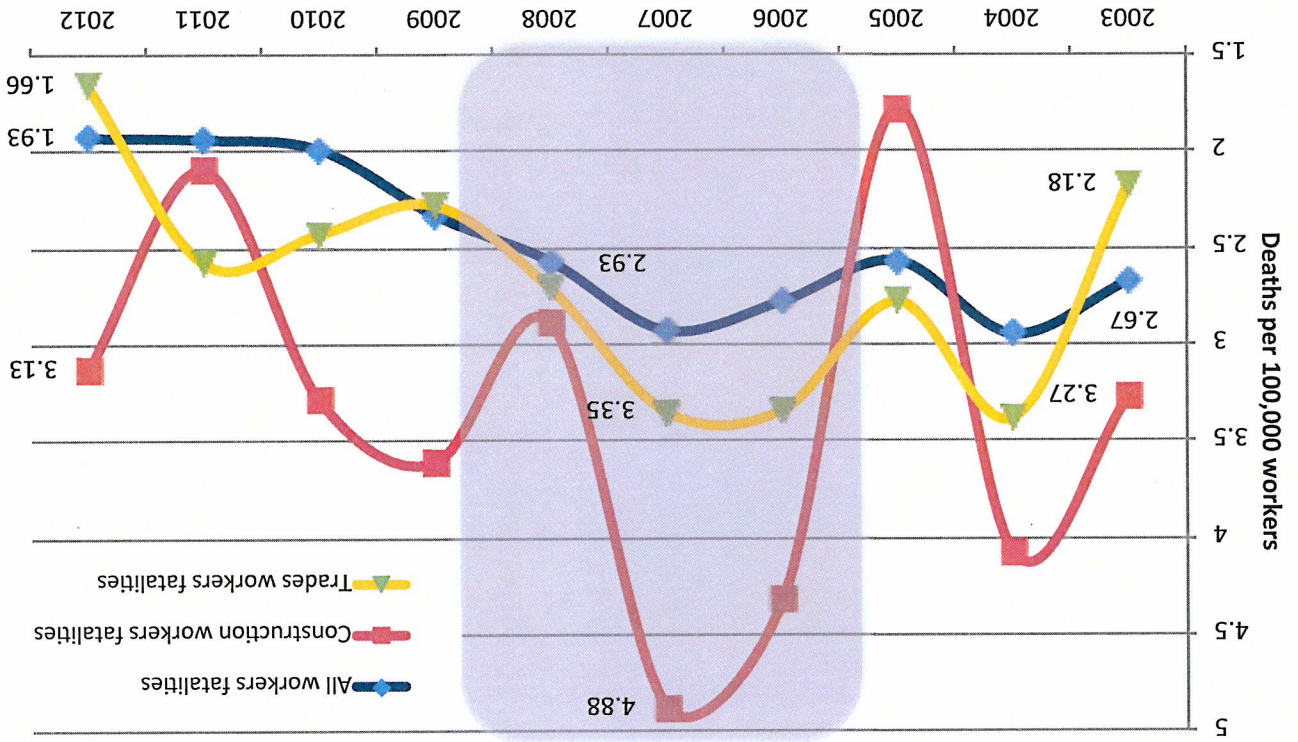
ISSUE

Fatalities in construction are already unacceptably high.

FACT

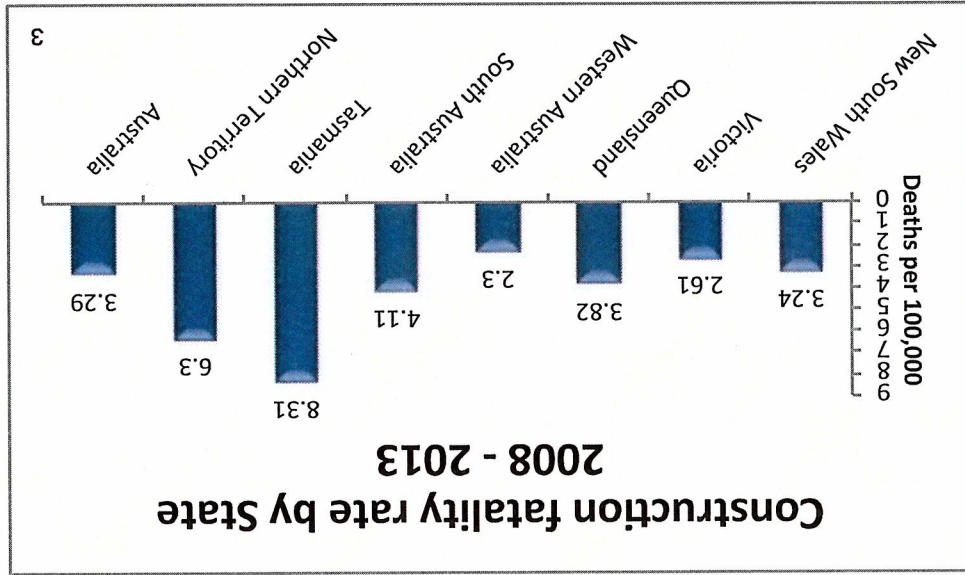
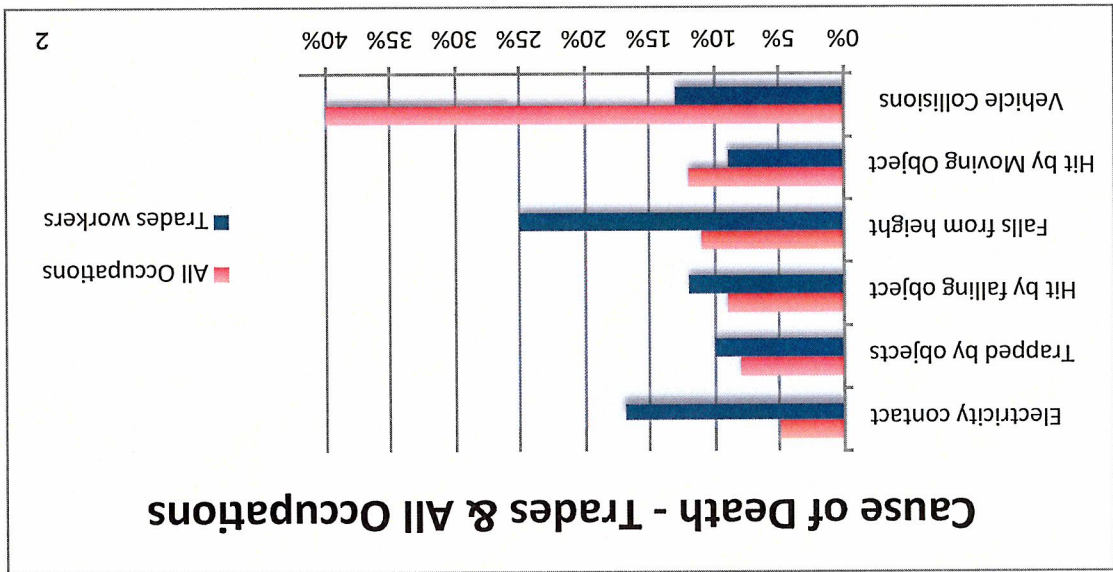
■ During the period of WorkChoices and ABCC under Howard, fatalities for all workers increased by more than 25%, while fatalities for construction workers skyrocketed from an average of 2.5 fatalities per 100,000 to almost five fatalities per 100,000 workers.

Traumatic work fatalities - deaths per 100,000 workers¹



ISSUE

Fatalities on construction sites are higher in smaller States compared to the rest of Australian States¹.



KEY FACTS

Building and Construction Industry (Fair and Lawful Building Sites) Code 2014

ISSUE

Infrastructure construction workers have extremely high fatality rates – already.

FACT

- Fatality rates on major construction projects ⁴ times higher than general construction workers and 7-10 times higher than all workers⁵
- Infrastructure construction had the highest fatality claim rate in Australia of 13.6 deaths per 100,000. In Queensland, it is (14.7 deaths per 100,000)¹
- One construction worker dies at work in Australia every 10 days³
- 37 construction workers are seriously injured at work in Australia every day.³

ISSUE

Major contributors to workplace accidents and deaths are fatigue and stress - common in the construction sector.

FACT

- Construction workers work more average hours per week than any other industry²
- The new Code abolishes any regulation around construction workers standard working hours and days off.
- Construction workers have the highest prevalence of non-payment of wages and entitlements than any other workers.³

¹ www.detr.qld.gov.au/workplace/resources/pdfs/report-construction-industry.pdf
² Australian Bureau of Statistics CAT 6291.0. ³ GEARS & FEG data.
⁴ Safe Work Australia, 2014

KEY FACTS

Building and Construction Industry (Fair and Lawful Building Sites) Code 2014

ISSUE

The Australian construction industry is a high pressure environment that already has unacceptable levels of injury, fatalities and suicide, particularly amongst the young.

FACT

- **INJURIES:** Young male tradesmen have the highest rate of injury of any worker - 113.8 injuries per 1000 workers¹
- **APPRENTICE SUICIDES:** 60 out of 100,000 workers aged 15-24 in the construction industry commit suicide every year.²

ISSUE

Australia is already failing our young people by making it harder to obtain apprenticeships. The new proposed Code will only exacerbate this problem

FACT

- Less than 55% of trades' apprentices are able to complete their training and receive a qualification³
- 25% of trade apprentices don't complete their training due to redundancy – up from 10% average³
- In 2013 apprentice commencements fell by 25%.³

¹ Safe Work Australia, 2014

² Australian Institute for Suicide Research and Prevention, Griffith University

³ National Centre for Vocational Education research, 2014

KEY FACTS

Building and Construction Industry (Fair and Lawful Building Sites) Code 2014

ISSUE

The code demands the exact opposite of society's expectation of responsible corporate conduct.

FACT

The Code will ban contractors who employ skilled trade workers on existing industry wages and conditions.

The Code does not ban builders who:

- Have higher than industry average deaths or serious injuries
- Employ 457 visa workers without advertising for Australian workers first
- Make illegal bribes to building inspectors, government officials or politicians
- Make illegal donations to individual candidates or political parties
- Have a history of non-payment of employees and creditors, bankruptcies and 'phoenixing' activity.