

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Additional Estimates 2011-2012**

Agency - Australian Building and Construction Commission

DEEWR Question No. EW1098_12

Senator Cameron asked on 15 February 2012 , Hansard page 61

Question

ABCC - Econtech Report

Senator CAMERON: Do not do it from an economics perspective. Do it from an industrial relations perspective and tell me whether what Ken Phillips argued should be done on the EastLink project could have been achieved in terms of the industrial situation, because that is important. Senator FISHER: Are you seeking policy advice? Senator CAMERON: I am not seeking policy advice, I am asking Mr Johns to go back and have a look at that because Senator Abetz is using it as the basis for an argument that there is a \$5 billion saving and it is really a crock. There is no basis of a \$5 billion saving. Mr Johns, you have got the report. You commissioned the report—not you personally but the ABCC commissioned it—and you cannot just walk away, wipe your hands, when politicians are using it to say that the ABCC saved the industry \$5 billion. You cannot walk away from it. You must have a look at that. CHAIR: The difficulty I have is that it is not Mr Johns's responsibility on how others portray a report or not. We probably need to move on from here, but, Mr Johns, you have heard what I have said about this particular question. Senator Cameron has asked it. I think you are prepared to take it generally on notice; if you can assist in a way that is appropriate, you can, but you have heard what I have said about the question. (continues page 62)

Answer

The Office of the Australian Building and Construction Commissioner has provided the following response:

In or about 2007, then ABC Commissioner engaged Econtech to provide a report which would 'assess [the ABCC's] impact in the industry'. To this end, the ABCC commissioned Econtech to undertake a study which would examine the impact of the ABCC on productivity in the building and construction industry.

On 16 July 2007 Econtech produced a report entitled *Economic Analysis of Building and Construction Industry Productivity* (the '2007 Report').

Econtech concluded that 'it was the existence of the [industrial relations] reforms, together with the activities of the Taskforce and the ABCC and supporting legislation that made a noticeable difference.'

That is to say, Econtech never concluded that the ABCC was solely responsible for

improvements in productivity.

As a part of that 2007 Report, reference was made to a 2006 study by Mr Ken Phillips of the Institute of Public Affairs (the 'Phillips Study'). Econtech, as the agent of the ABCC, did not independently assess the veracity or otherwise of the claims made in the Phillips Study.

Some six years later, the ABCC does not have the necessary resources or staff expertise to assess the veracity or otherwise of the claims made in the Phillips Study.

At no time since October 2010 has the current ABC Commissioner sought to rely upon the 2007 Report.