



**THE HON JULIA GILLARD MP
DEPUTY PRIME MINISTER**

Parliament House
Canberra ACT 2600

The Hon. John Lloyd
Australian Building and Construction Commissioner
GPO Box 9927
MELBOURNE VIC 3001

Dear Mr Lloyd

Allocation of ABCC Resources

In the report by the Hon Murray Wilcox QC, *'Transition to Fair Work Australia for the Building and Construction Industry'*, reference was made to the levels of unlawfulness in the industry and the perceived relatively higher levels occurring in Victoria and Western Australia than other parts of Australia.

As you are aware, Section 10 of the *Building and Construction Industry Improvement Act 2005* (the Act) provides, amongst other things, that you monitor and promote industry compliance with workplace relations laws and industrial instruments, and investigate suspected contraventions. It is therefore appropriate that the resources of the Office of the Australian Building and Construction Commissioner (ABCC) are allocated to best effect and to those areas with the highest levels of unlawfulness.

Given the significant investment that the Australian Government is committing to the National Building and Jobs Plan, it is essential that the Government is satisfied that the ABCC's resources are being used in the most effective manner.

To that end, I direct you under section 12 of the Act to provide me with a report on how you are currently allocating ABCC resources to carry out your functions. The report should detail the following:

- Total ABCC staffing resources and roles they perform. This should include, but not be limited to, details such as inspectors monitoring compliance with relevant laws and instruments, monitoring of the National Code of Practice for the Construction Industry (the Code) and the Australian Government Implementation Guidelines for the Code (the Guidelines), legal services and other corporate services,
- The actual numbers involved in the above roles and the extent of any overlap between these roles; the location of these staff and the geographic areas they monitor,

- Where ABCC staff are not appointed as inspectors under the Act, an explanation of the cost-benefit of their current roles, relative to inspectors, and in the case of inspectors and Code and Guidelines staff why they are not performing dual roles,
- An explanation of how the above allocation of staff relates to known levels and locations of non-compliance. This should include, but not be limited to, the way the allocation relates to allegations of non-compliance, investigations, prosecutions, audits and educational activities, and
- An explanation for any discrepancy between the allocation of resources and the issues mentioned above and any actions proposed to remedy any such discrepancy.

Please contact Mr Craig Carmody from my office if you wish to discuss this direction.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Julia Gillard', written over the typed name and title.

Julia Gillard
Minister for Employment and Workplace Relations