



# construction industry reform

## Overview

The Territory construction industry is a critical building block of our community and is a key indicator of the activity levels and health of the Territory economy.

The industry employs more than 6000 people across a range of areas from civil construction and earthworks, residential and commercial building, housing renovation and maintenance. Industry participants include major international and national construction companies, significant locally established and owned construction companies and self employed contractors.

A common feature of all participants is that they work in a particularly difficult environment providing the necessary infrastructure including houses, workplaces, schools, hospitals, roads, railways and wharves that the community needs.

A healthy and growing economy and community in the Territory needs a healthy, growing and world-class construction industry. The construction industry in the Territory has achieved many great things but it has also suffered from fluctuations in the economic cycle, skill shortages, significant building company failures and in some cases poor quality and safety standards.

Earlier this year, the Northern Territory Government established a Construction Industry Reference Group (CIRG) to provide advice to Government on the implementation of a range of construction industry reforms and initiatives.

The CIRG is oversighted by a Cabinet sub-committee made up of the Treasurer, the Minister for Business and Industry, the Minister for Justice and the Minister for Lands and Planning (chair).

Issues under consideration by CIRG include:

- Residential builders' registration
- Home warranty insurance
- General regulatory building reforms
- Contractor payments
- Portable long service leave arrangements
- Occupational health and safety
- A long-term construction industry strategy

Members of the CIRG are from a range of industry organisations and backgrounds and include unions and employer organisations, large and small construction companies, design and certifying professionals and regional representatives. The CIRG is assisted and advised by a number of NT Public Sector agencies. The agencies include the Department of Infrastructure, Planning and Environment; Department of Employment, Education and Training; Department of Justice; Department of Business, Industry and Resource Development and the Office of the Commissioner for Public Employment.

The CIRG has met regularly throughout the year and has established special working groups to consider the details of particular issues of concern.

The CIRG has also met with the Cabinet sub-committee and Minister Burns, the Convenor, has attended all CIRG meetings as well as meeting with individual CIRG members.

Government has decided to introduce into the October 2004 sittings of the Legislative Assembly the first phase of a package of reforms to build and develop the Territory construction industry.

The legislation has been the subject of consultation with CIRG and is generally supported by the construction industry. Like any major reform, there are different views on aspects of the reform package, particularly on issues like timing and implementation.

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The legislative package includes

- *The Building Act Amendment Bill,*
- *Construction Contracts (Security of Payments) Bill,* and
- *Long Service Leave and Benefits (Construction Workers) Bill.*

Work on other elements of the package is ongoing and will be introduced over time through legislation, regulations or codes of practice after consideration and consultation with the CIRG.

The CIRG and its three working groups will continue to meet regularly as a peak industry forum and to provide advice to Government on issues and industry developments throughout the implementation stage of the package.

The Government congratulates and thanks the CIRG members and other participants for their efforts and advice to date and looks forward to working with them to continue building a better and stronger Territory construction industry.

