

Tim Watling
Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Mr Watling,

**Inquiry into the provisions of the Building and Construction
Industry Improvement Amendment (Transition to Fair Work) Bill 2011**

My submission to this inquiry is brief and goes to the issue of productivity in the building and construction industry, as this has comprised much of the rationale for special regulation of the industry.

A number of claims have been made over recent years about the large productivity gains available or resulting from special regulation of this industry. Many of those claims have ultimately been based on incorrect interpretations of data or, worse still, incorrect data. I have previously undertaken analyses of these claims, the findings of which were in due course published in the *Journal of Industrial Relations*. The vast bulk of this submission consists of that article, attached.

Based as it was on some false assumptions about productivity, regulation of the industry has been in need of reform for some time. This Bill represents a step in that direction and, to the extent that is the case, its passage would represent an improvement on the current state of regulation.

Yours sincerely,

David Peetz
Professor of Employment Relations, Griffith University
Visiting Professor, New Zealand Work and Labour Market Institute, Auckland University
of Technology
20 January 2012