dictability of labour costs which would inevitably result. Nevertheless, it might be the only avenue left, if the union movement (and employers) prove themselves unable to regulate the industry effectively in a collective way.

Some form of collective self-regulation is the third option and it seems certain at least to be given a fair trial. Virtually all the major parties have supported the concept of a secondary wage or over-award payment to apply on major commercial and industrial building projects. It is also common ground that this payment should be the exclusive source of wages and allowances over and above those provided by the relevant awards. There are different views within the industry about exactly how this should be done and what role (if any) should be played by the Arbitration Commission. But these are essentially points of detail, not principle, and will ultimately be resolved by discussion or force of circumstance.

It is likely then that within 12 months there will be quite a new approach to wage-fixing on major building work. It is quite possible that site allowances and site agreements as they are known today will disappear for new projects. In their place may be a regional agreement covering much the same matters, but fixing payments for all sites for a period of perhaps two years at a time.

These changes will have major consequences. For the first time, it will be possible for specialist contractor organisations to have direct input in the negotiation of over-award agreements. It will also be possible for owners and investors to be advised and consulted about the level of labour cost increases.

These changes will pose questions for government. The codes of conduct currently imposed by the Federal and some State Governments require contractors not to pay any wage or allowance which has not been ratified by the Commission. This will obviously be an inappropriate prescription, if the Commission itself endorses the widespread negotiation of over-award payments.

Conditions of contract will also have to be reviewed, particularly rise and fall clauses. The industry will have to decide whether it wants to encompass over-award payments in its price escalation calculations, or exclude them. If a new system of fixing wages has its intended effect of improving stability and predictability of labour costs, then it may be practicable to rely far more on fixed price contracts, or to incorporate escalation provisions which rely on a single index of industry or community prices.

The momentum of reform is now so firmly established that it cannot be stopped completely. There will be significant changes in the way wages are regulated on major building work. The industry must now await the outcome of the Building Industry Inquiry to see whether change is going to be half-hearted and fragmented, or enthusiastic and thorough. Only the Commission can take a decisive lead. If it does not, the current moves to manage industrial relations in the major building sector in a totally different way to the rest of the industry can only gather pace.

- Ken Lovell, Director, Industrial Relations, AFCC

2. CLAIMS AND DISPUTES

The next issue of the Newsletter shall contain a detailed outline of the findings of the industry research project, convened by AFCC, into claims and disputes in the construction industry.

In the meantime, it may be interesting for readers to note the findings of one public sector client's internal survey into the causes of claims and disputes, which it has experienced during the 1980s. These findings are set out below:

Analysis Of Disputes Requiring Superintendent's Decision 1980 - 1987

Classification	%
• Errors In Bill Of Quantities And Conflicts Between Bill Of Quantities And Other Documents	22
• Extension Of Time Including Consequent Delay Costs	22
• Discrepancies Between Specification And Drawings	19
• Rejection Of Work And Materials	13
• Pricing Of Variation Orders	12
• Latent Conditions (Earthworks)	6
• Late Nomination Of Subcontractors	4
• Other	2

3. CONFERENCE OVERLOAD

In additions to the regular training courses offered by organisations such as The Institute of Arbitrators, Australia, the Australian Commercial Disputes Centre, AFCC etc. and sessions at conventions held by industry organisations, there would seem to be an abundance of opportunities presented to the industry to attend seminars and conferences on all manner of topics related to the industry.

To a large extent, these conferences reflect the problems and concerns of the industry, e.g. in relation to contract formation, contract administration, claims and disputes and dispute resolution. However, there is a significant extent of overlap and duplication in the courses offered, to the point where it is possible to question which industry is serving which.

Over the last twelve months, offers to attend seminars and conferences on the following subjects have come across just one desk:

- Acquisition, Divestment and Privatisation
- Administration of Contracts
- Advanced Arbitration Course
- Alternative Dispute Resolution
- Alternative Dispute Resolution In Construction Contracts
- AS2124-1986 General Conditions of Contract
- Competitive Tendering And Contracting Out
- Construction Claims
- Construction Claims Management (four courses)
- Design and Construct Contracts
- Engineering Contracts
- Financial Risk Management In Real Estate Construction And Development
- Fundamentals of Estimating
- General Arbitration Course
- Improved Project Management Through Computer Assisted Information Management
- Legal Aspects of Subcontracts In The Building Industry
- Local Government and Building Law
- Management of Construction Contracts
- National Cost Adjustment Provision Edition 2
- Negotiation Workshop