



Restoring the Australian Building and Construction Commission	
Party:	The Coalition
<p>Summary of proposal:</p> <p>The proposal would reinstate the Australian Building and Construction Commission (ABCC) to its previous form prior to its abolishment in 2022, with increased penalties for breaches of the <i>Fair Work Act 2009</i> and stricter requirements on the fit and proper person test for right of entry into worksites and holding office in a registered organisation.</p> <p>The proposal would be ongoing and start on 1 July 2025.</p>	
<p>Additional information (based on further advice provided):</p> <p>Funding to the Fair work Ombudsman (FWO) provided in the October 2022-23 Budget measure <i>Abolish the Australian Building and Construction Commission and Provide Additional Resources for the Fair Work Ombudsman</i>¹ would be redirected to the reinstated ABCC.</p>	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$99.3 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a net increase in departmental expenses associated with reinstating the ABCC partially offset by a reduction in departmental expenses allocated to the FWO.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Table 1: Restoring the Australian Building and Construction Commission – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-35.8	-20.9	-21.2	-21.4	-99.3
Underlying cash balance	-35.8	-20.9	-21.2	-21.4	-99.3

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

¹ Commonwealth of Australia (2022) [2022-23 October Budget, Budget Paper No. 2](#) pg. 98

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Departmental expenses for the ABCC would be equivalent to the ABCC's projected departmental expenses for the fiscal year 2025-26, as reflected in the October 2022-23 Budget.
- Any departmental or administered costs associated with increased penalties for breaches of the *Fair Work Act 2009* or the stricter fit and proper person test requirements would be absorbed by the resourcing allocated to reinstate the ABCC.
- Additional resources provided to the FWO for the purpose of fulfilling ABCC functions would be reversed.
- Provision was made for the organisation to scale up in the first year, and for one-off implementation costs.

Methodology

The PBO used previous Portfolio Budget Statements, Annual Reports and the October 2022-23 budget measure to determine the cost of reinstating the ABCC.

Departmental expenses were indexed by the relevant Wage Cost Index, less the efficiency dividend.

The first year of ABCC's operation includes a non-recurring establishment cost.

Financial implications were rounded consistent with the PBO's rounding rules.²

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Commonwealth of Australia (2022), [2022-23 October Budget, Budget Paper No. 2](#). Accessed 18 May 2025.

Department of Employment and Workplace Relations (2022), [Portfolio Budget Statements October 2022-23 Budget](#). Accessed 18 May 2025.

Australian Building and Construction Commission (2022) [Australian Building and Construction Commission Annual Report 2021-22 \(transparency.gov.au\)](#). Accessed 18 May 2025.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Restoring the Australian Building and Construction Commission – Financial implications

Table A1: Restoring the Australian Building and Construction Commission – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
<i>ABCC reinstatement</i>	-53.8	-39.2	-39.7	-40.2	-40.7	-41.2	-41.7	-42.3	-42.8	-43.3	-43.9	-172.9	-468.8
<i>Reverse FWO funding to fulfill some ABCC functions</i>	18.0	18.3	18.5	18.8	19.0	19.3	19.5	19.8	20.0	20.3	20.5	73.6	212.0
Total – expenses	-35.8	-20.9	-21.2	-21.4	-21.7	-21.9	-22.2	-22.5	-22.8	-23.0	-23.4	-99.3	-256.8
Total (excluding PDI)	-35.8	-20.9	-21.2	-21.4	-21.7	-21.9	-22.2	-22.5	-22.8	-23.0	-23.4	-99.3	-256.8

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Restoring the Australian Building and Construction Commission – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-0.8	-2.1	-3.1	-4.2	-5.3	-6.5	-7.8	-9.2	-10.6	-12.1	-13.8	-10.2	-75.5
Underlying cash balance	-0.6	-1.8	-2.8	-3.9	-5.0	-6.2	-7.5	-8.8	-10.2	-11.8	-13.4	-9.1	-72.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary³.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

³ [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)