



MEDIA RELEASE

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Gillard's award modernisation welcomed by resources sector

Statement by Steve Knott, Chief Executive AMMA

For over 20 years previous governments have been unsuccessful in delivering on commitments for modern simplified awards.

In the 1980s then ACTU Secretary Bill Kelty called for simplified and modernised awards but the Hawke/Keating governments made no real progress here. Peter Reith made similar comments to Kelty, but the scorecard reflects that the Coalition was unable to progress this initiative despite putting in place mechanisms to move towards simplified awards.

The task of modernising over 4300 awards with over 100,000 separate classification pay rates and conditions of employment negotiated over many decades is a complex one. So called hard won rights such as 'food and rations allowances' still exist in awards today, as do outdated clauses reflecting work practices or job titles that no longer exist.

For the industrial parties and previous governments, the award modernisation task found itself permanently placed in the 'too hard' basket, sometimes due to political timing.

This changed last year when DPM Gillard embarked on an ambitious program to simplify and modernise Australia's complex and outdated myriad of state and federal awards. The timetable for completion, by January 2010, was seen as unachievable by the industrial parties and was roundly criticized by employers and unions alike.

Stories of spiraling wage costs for employers and reduced conditions for employees, special deals for certain sectors has sparked the ire of many. This is particularly the case in the retail and hospitality sectors, catering, etc where the large number of awards (both state and federal) all containing a broad range of rates, penalties and allowances, state differentials, and so forth, making an already complex task even more difficult.

The challenge the DPM set for the AIRC, the body charged with the award modernisation task, was to ensure employers and employees were not worse off, a seemingly impossible challenge. It is an enormous challenge but the AIRC's professional members and support staff have rolled up their sleeves and put in place a largely workable framework of modern awards.

Surprisingly from the industrial parties' perspective, almost a lone voice in supporting the DPM's award modernisation process is the resources sector.



Australian Mines and Metals Association

This sector, high users of AWAs for more than a decade, has arguably been the fiercest critic of various aspects of the Government's soon to be new IR regime. For example, AMMA recently described these laws that are due to commence on 1 July, as being 'the biggest increase in union powers since federation that is about to be unleashed on the Australian economy'.

On the award modernisation front however, AMMA has commended DPM Julia Gillard as being 'a considered and driving force behind the much needed award modernisation process'.

Initially, the first draft of the modernised mining award did have some issues that would have prevented the working of long established work rosters in remote work locations; rosters that are uncontroversial and enjoy support of employees and employers alike. This issue was also likely to extend to the oil and gas Industry award modernization process which has similar roster arrangements.

To the DPM's credit, following extensive consultations, further advice was issued to the AIRC by the DPM and specific reference was made to recognise such established work arrangements in the sector.

'The DPM gave AMMA and its members a pre-election commitment that our systems of work would not be altered via the award modernization process, and the Minister has honoured this commitment.'

'Explaining Australia's myriad of state, federal, industry and occupational awards to the international investment community has always been a challenge for the resources sector.'

'Once concluded we will now be able to go to the market with one mining and one oil and gas award, that is modern, simple, easy to understand and flexible.'

Given the DPM's intervention, coupled with the AIRC's active involvement in the process, it now appears unlikely that any employee or employer in the resources sector will be disadvantaged by the award modernisation process. Such an outcome will provide an important base planning framework for much needed future investment considerations.

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