

# MEDIA RELEASE

September 6, 2011

## **Tsunami of consensus building for IR change**

Resource Industry Employer Group AMMA has been joined by other leading employer groups in calling for much-needed reforms to Australia's IR laws, confirming these problems are widespread and far deeper than is being acknowledged by the Federal Government.

Commentary across industry is reflecting a significant IR policy crisis requiring an urgent review.

AMMA is calling on the government and opposition to participate in an urgent review of the IR laws that are inhibiting business and sapping productivity across the country. Australian's deserve better from our elected parliamentarians than to have such an important economic reform area left unaddressed.

"In the face of so much hard evidence that the government's IR laws are damaging our economy, it is time for the Federal Government and the Opposition to consider some alternative solutions that go beyond some minor tinkering at the edges," said AMMA Chief Executive, Steve Knott.

"No longer can the repeated concerns of the Productivity Commission, the RBA and the broader business community be allowed to fall on deaf ears.

"Leading economic commentators and results from a number of other industry sectors, including retail and manufacturing, reinforce what AMMA has been arguing for nearly two years; that the Fair Work Act in its current form has undermined productivity, created unsustainable levels of wage inflation and handed significant powers back to unions to the detriment of workplaces and the economy.

"The Labor Government has stubbornly refused to acknowledge the problems with the IR laws despite growing evidence from across the resource and construction sectors that there are significant problems.

"We've heard a few platitudes from the opposition on an IR policy alternative identifying some minor changes, but nothing substantive at this point, which has been disappointing."

AMMA saw the writing on the wall two years ago when it commissioned RMIT University to conduct its first survey on the impacts of the Fair Work Act on its members in the resource industry.

Three six-monthly surveys with hundreds of employers across the sector have been conducted so far in the ongoing research project. AMMA is now in the position to identify not only how the Fair Work Act compares to the previous IR system, but also how the Fair Work Act has had an increasingly detrimental impact on resource employers every six months since it came into force.

Other industry groups' survey results reaffirm AMMA survey findings over the past 18 months, including that, under the Fair Work Act:

- 82.6 per cent of respondents had not been able to negotiate productivity improvements in exchange for wage increases;
- 37.3 per cent were expecting wage increases in their next agreement to blow-out significantly;
- 29.3 per cent had experienced flow-on effects to their enterprises from recent wage and allowance outcomes in the offshore oil and gas industry;
- 42.5 per cent said problems on their worksites due to union actions had increased;
- 45 per cent said union involvement in the workplace was 'unhelpful' or 'extremely unhelpful'; and

# MEDIA RELEASE

In the area of employers' perception of labour productivity under the Fair Work Act, the index has deteriorated from 66.7 to 61.3 to 56.7. In the area of direct engagement levels, the index has deteriorated from 69.5 to 66.7 to 62.2.

"What this shows is that employers and workplaces were willing to give the Fair Work Act a chance when it was first introduced, but over time they have come to realise it is simply not workable in key areas," said Mr Knott.

"There are some serious problems with the IR Laws and it is time for the government and Opposition to face up to this reality."

**ENDS**

## **MEDIA CONTACTS**

Minna Knight, Director of Public Affair & Member Services  
M: 0429 143 449 or E: [Minna.Knight@amma.org.au](mailto:Minna.Knight@amma.org.au)

Tom Reid, Media & Communications Adviser  
M: 0419 153 407 or E: [Tom.Reid@amma.org.au](mailto:Tom.Reid@amma.org.au)