PRESENTATION TO THE AUSTRALIAN CLUB – AUGUST 16, 2012

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"IR laws and flaws - A resource sector perspective"

(SLIDE ONE – Presentation Title)

Thank you to The Australian Club for this invitation to address you today.

My focus is Industrial Relations, otherwise referred to as the dark arts (by a past colleague of mine) and its impact on productivity in the resources sector.

For those of you who are unfamiliar with AMMA, we are the national resource industry employer group and we represent mining, hydrocarbons, construction and allied employers across the resource industry.

We're regularly on the ground putting in place many of the industrial relations, migration and workforce frameworks that underpin some of the largest resource projects in Australia.

AMMA has been a vocal advocate for reform to the Fair Work legislation since its enactment.

Industrial Action, Excessive Claims & Impact on Productivity

(SLIDE TWO – Farstad claims)

There's been a lot of debate in these past weeks over the Fair Work Act and its impact on productivity.

The main driver of this focus has been the Fair Work Review process, in which the Government's Panel placed much emphasis on productivity outcomes in the recommendations it handed down about two weeks ago.

Despite this focus on productivity, the Panel did not consider any of the recommendations made by various industry groups,

including AMMA, for reforms that would lead to more productive workplaces.

Rather, the Panel ignored the evidence that the Fair Work legislation is a barrier to restoring productivity to our workplaces, and basically said the Act is working as planned.

I say, for those who are still confused about just how much the existing IR framework can impact productivity they need look no further than the recent experiences of Farstad Shipping, a member of AMMA and a contractor in the oil and gas sector.

Eighteen months ago Farstad was drawn into collective agreement negotiations under the Fair Work regime with the MUA over the pay and conditions for its maritime workers operating in the offshore construction areas of the oil and gas sector.

At the time, Farstad was understandably resisting demands from the MUA for a 30% pay increase over three years plus, a $500 per day construction allowance which, in some cases would have doubled the remuneration of the workers involved and resulted in significant wage blow outs for the employer.

After some token attempts by the MUA under this framework to 'bargain in good faith', Fair Work Australia rubberstamped an application which allowed the MUA to initiate strike action against Farstad.

I say rubberstamped because over 99.2% of all applications lodged by unions to take strike action against employers are currently being approved by Fair Work Australia.

The strike action that followed as a result of that approval cost Farstad upwards of a million dollars a day and resulted in a serious downturn in its productivity.

But there is more...

In response, the company went to Fair Work Australia with an application to suspend the strike activity – for you non-IR pointy heads in the audience, this is known as a cooling off period.

One would think that with such excessive claims the industrial action would have been suspended or terminated.

But no – instead Farstad's application was thrown out and the Senior Deputy President hearing the matter not only noted that it was well within the law for the union to attempt to 'bleed' and 'soften up' the employer during bargaining (notwithstanding the excessive nature of the claims), but that such adversarial activity was apparently central to reaching a resolution under the Fair Work legislation.

From a productivity perspective, this is an employer's worst nightmare and this situation and all that occurred represents everything that is wrong with the Fair Work framework and the existing tribunal.

This is not a rare event, we saw it again with the Qantas dispute last year and we have experienced it again with BMA in 2012 and numerous other employers across the resource industry over the past months. And we expect to see many more instances of AMMA members being subject to picket lines and strike action because they refuse to capitulate to excessive wage and agreement demands in the future.

Against this backdrop, there can be no doubt the IR framework is having a direct impact on productivity growth in the resource industry.

Industrial Relations – The Underling Influence

(SLIDE THREE Resource Leader commentators)

From a productivity perspective, unions and other economic commentators are currently attempting to play down the impact IR and ineffective work processes can have on workplace productivity and are are blaming management for Australia's inability to pull itself out the productivity abyss.

Conversely, business groups have identified the government's overregulation of Australia's business environment as a major factor in our current productivity challenge, along with a set of workplace relations policies that, by removing any flexibility

around how business can use its labour, have made it impossible in many cases for employers to respond to new market opportunities, innovate; and ultimately compete with multi-national firms.[1]

On screen are two quotes from Michael Chaney and Jac Nasser, Chairmen of Woodside and BHP respectively. I would argue the opinions of these business leaders around regulation, management prerogative and management in Australia should be held in the highest regard – but our Federal Treasurer appears to believe otherwise.

(SLIDE FOUR – Wayne Swan quote and McKinsey & Co report findings)

Yesterday Wayne Swan told an International CEO Forum event that there has never been a better time to invest in Australia, saving us from his Bruce Springsteen quotes this time and instead saying our national 'appetite' for investment is bigger than our peers.

Given the recent calls from the Fair Work Review Panel' for greater involvement and intervention from Fair Work Australia in the management of our businesses AMMA's view is that the proposed reforms will have an even greater negative impact than we're currently dealing with.

Let's compare Swan's position with that of McKinsey & Co's *Beyond the Boom* report, also released yesterday. As shown on screen, the report indicates the economic contribution of productivity growth over the last 6 years is $40 billion less than during the 1990's. The reason for this is that productivity growth has dropped from 3.1 per cent a year to just a 0.3 per cent average since 2006 – at some stages we actually had negative productivity growth.

Productivity and the resource industry

(SLIDE FIVE – resource industry economic/employment figures)

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[1] Geoff Winestock, Productivity: bosses blame the system, 12 July 2012

These alarming findings, and the government's refusal to accept the implications, will no doubt have adverse impacts on the resource industry's continual investment pipeline.

Capital investment in the resource sector continues to set record after record, with the value of approved projects in the advanced stages, totalling $260 billion and an additional $250 billion worth of projects in the investment pipeline.

In the last five years, the number of people directly employed in the resources industry has increased from 136,000 in 2007, to 266,000 as of May this year. By 2016, this is forecasted to be at least 350,000, a figure which doesn't include the tens of thousands of indirect jobs also being created alongside the sector.

However, against a backdrop of economic uncertainty, these benefits are not a given and we must ensure the underlying determinants of workplace productivity are enabling, not constraining, the ability of our resources employers to deliver them.

(Slide six – Current skills environment: Critical)

As shown in the figures on screen, such an environment is creating critical skills shortages and labour pressures on our industry. Some specific numbers that capture the critical nature of the situation include:

- A projected shortfall of tradespeople of over 35,000
- A projected shortfall of 1700 mining engineers, including petroleum engineers
- A projected shortfall of 3000 geoscientists

It is here that our industry's ability to implement a range of workforce solutions is critical to our ability to get these projects underway and deliver these economic benefits.

(STEVE – talk briefly on EMAs/training – lead into investment consequences if this is not facilitated)

(SLIDE SEVEN – Survey results + Tony Shepherd quote)

A CEO Forum survey released yesterday indicated 60 per cent of the country's leaders of global corporations were planning to scale back their investments in Australia.

We have gotten to a point where record investment in our resource industry is not enough to lift Australia's economic performance and keep us globally competitive. McKinsey & Co have found that we could be adding an additional $90 billion a year to our national income if we can address this productivity slump.

And this is where the impacts of the Fair Work Act are critical.

Impacts of the Fair Work Act 2009

(SLIDE EIGHT – Angus Taylor quote)

To begin with, let's consider a comment at a recent AMMA conference from Port Jackson Partner's economic consultant Angus Taylor where he said that "combined with significant workforce requirements, productivity is critical to realising the full potential of the (sector's) growth opportunity".[2]

Despite the detriments of various industry taxes, it is well known within the industry that the other most significant threats to our industry in delivering these projects are workforce issues.

Tragically, in one of the most capital and at times, labour-intensive industries in the country, uncertainty and risk created by the Fair Work legislation and the increased militancy of trade unions is proving to be a serious constraint for many resources workplaces.

Fair Work Flaws

(SLIDE NINE – ABF's five major flaws)

Recently, the Australian Business Foundation, which is part of the ACCI employer alliance, identified five major flaws in the ideology

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[2] Angus Taylor, *Earth, Wind, Fire, Water: Economic Opportunities and the Australian commodities cycle*

of the Fair Work Act as part of a broader study on the impact of the Fair Work laws on productivity growth.

Further, for the last two and a half years AMMA has used the expertise of RMIT University to conduct six-monthly research surveys and focus groups tracking resource workplaces and the impact of the Fair Work laws. Many of the outcomes of our in-depth industry research reflect the concerns within the Australian Business Foundation's report.

Let's consider how these stack up in the context of the Fair Work Act Review Panel's recommendations, which in our view completely missed the mark.

1) The first flaw in the Act is the **presumption of conflict** in the design of the legislation, which has proven to be a massive obstacle to the encouragement of engaged and empowered employees – and such a feature as many of you know is integral to a highly productive workforce.

   AMMA's fifth and most recent research report has confirmed a rising incidence of conflict in the workplace with the number of resource employers who rated their industrial environment as unacceptable due to more conflict increasing fivefold in just two years.

   Despite this evidence of an adversarial industrial environment, the Fair Work Review has done little to discourage militant unionism and actually made several recommendations that serve only to encourage and reward the taking of industrial action by employees.

   One of the most concerning, but among many examples, includes a recommendation that would require employers to keep providing accommodation to striking workers.

   Proposing that employers must continue to provide accommodation to striking workers is completely unrealistic. In our industry an employer would have to pay for its entire workforce to live in remote working villages while thousands of workers sit around taking strike action.

It proposes an employer should pay union delegates to bask around the camp's pool, have a few drinks and get a tan while taking protected strike action - what an absurd concept.

Just this week the Federal Court ruled against a union's claims that we should do just that – but it seems the Fair Work Act could be altered to ultimately reverse this sensible decision.

2) The next fatal flaw, which again impacts productivity – is that the Fair Work system **fails to recognise that managerial acumen and agility is a legitimate and integral feature that a fair, flexible and productive workplace relations system should foster.**

The ABF report also highlights how the enterprise bargaining system diverts managerial resources away from business activities, creates burdensome regulation and an increasing amount of compliance.

Under the framework, there is also too much focus from employers and employees to satisfy Fair Work's procedures when solving problems rather than meeting individual needs in the workplace.[3]

Our most recent RMIT survey research re-enforces these views, highlighting that of the 33% of resource industry employers who have recently tried to negotiate a Greenfield agreement, 1 in 5 have experienced unions refusing to make an agreement with them at all. Further, the time and costs associated with negotiating agreements and IR transaction costs for business have significantly increased.

AMMA proposed to the Review Panel that there needed to be a safety valve for when unions are unjustifiably holding a resource employer to ransom. We recommended handing FWA a determination power on application by the employer,

[3] Australian Business Foundation, *Productivity and Fair Work*, March 2012

but instead the Review proposed an arbitration system that would encourage further uncertaintly and delays.

The changes proposed risk making the federal industrial tribunal a de facto project manager of greenfield sites and threaten to further place pressure on employers in an already unworkable system.

3) **A third flaw is that the Fair Work system directly impacts on the ability of Australian businesses to compete through making innovative business change.**

The Australian Business Foundation argues that by increasing the perception of uncertainty and risk with labour requirements, the willingness of employers and workplaces to seek new ways of achieving commercial outcomes and creating competitive advantage is severely diminished.

On the one hand, our resource employers are overloaded by compliance issues related to work practices and as a result are inward focusing, rather than outwardly looking at new opportunities. While on the other hand, any attempts to implement strategies to use our workforces in new or flexible ways that go beyond traditional IR frameworks often exposes our employers to a raft of legal implications, restrictions and attacks.

Going back to my earlier examples; while Farstad's dispute was based on wage conditions, elements of the more recent QANTAS, BMA and a number of other resource sector disputes came down to union interference in how management runs the workplace.

Just this week, Fair Work Australia rejected an appeal from employer Endeavour Energy to implement urine-based drug testing, instead favouring the union-approved saliva-testing - a method that has proven to be less effective.

These constant attempts to restrict the capacity for workplaces to make organisational decisions outside of

union consultation are a direct outcome of the design of the Fair Work framework.

Our country's industrial system seems to have completely ignored that the innovation and evolution of Australian business was driven off the back of forward-thinking and dynamic business managers. We fear the Fair Work Act is stifling this notion.

4) **A fourth flaw in the IR framework – is that the design of the Fair Work Act is not aligned to the realities of modern patterns of working life**.

The present-day has seen a fundamental shift in how people choose to work. The ability to recognise and activate a diversity of choices within the workforce has been proven to significantly impact on its productivity.

Yet, in the resource industry, AMMA's reporting results show an incredibly low take-up of the existing Act's individual flexibility arrangements.

While up to 80 per cent of our employer's workplaces accessed the old-style Australian Workplace Agreements at one level or another to give their workers more flexibility and provide protection against industrial action, more than 60% of resource employers now say IFA's (which were meant to be a workable substitute for AWAs) are useless and there is no option for flexibility under the Act.

This is a serious issue for an industry who is actively trying to engage women, mature age workers and other candidates who regularly request flexible or non-standard work arrangements.

A good starting point to address this would be to fix failed attempts to deliver any meaningful flexibility to businesses and workers through IFA's – but again the Review process has missed the mark.

Contrary to how advocates for change are being painted, flexibility does not equate to fewer and lower paid jobs. Under the new Fair Work regime, union officials are proudly boasting that wage outcomes are being achieved with no consideration of workplace productivity issues.

It is both sad and wondrous that any mention of flexibility is quickly dubbed by the PM and unions as employer code for 'stripping pay and conditions'.

This argument simply doesn't wash in a high-paying industry like the resource sector where competition is already intense for scarce labour and wages have risen significantly in recent years.

AMMA's submitted to the Review Panel that **A statutory individual contract,** measured against the Better Off Overall Test and the National Employment Standards, would restore real flexibility to the workplace – flexibility that would suit those individuals who choose it and help employers create more productive workplaces.

Perhaps unsurprisingly, this recommendation was also ignored.

Further Resource Industry Impacts

Other results from AMMA's most recent report of the *Workplace Relations Research Project* show a significant deterioration in how our employers perceive the productivity of their workplaces.

(SLIDE 10 – RMIT productivity stats)

For example, the table in this slide shows the perceived output per input, or productivity, of resource workplaces over the course of the longitudinal survey.

You can see that perceived resource industry productivity during the survey period was at its highest peak in April 2010 with 70.8% of respondents rating their workplace productivity as 'high' or better. At the time, much of this result was attributed to actions taken by resource workplaces to lock in pre-Fair Work agreements before

July 2009. In June 2012, with hundreds of these agreements expiring (resulting in greater exposure and experience with the Fair Work laws) this figure has dipped to just 52%.

Wage claims and bargaining

However, one of the most damaging aspects of the Fair Work Act over the past three years has been the increase in exorbitant wages being claimed through bargaining processes, particularly in areas of the oil and gas sector.

A few anecdotal examples will help put this into context.

In the 2010/11 vessel operators' dispute in the offshore oil and gas industry, maritime unions were able to secure, on the back of ongoing strike action which employers found impossible to stop, 37 per cent pay rises plus a $200 a day construction allowance in return for zero productivity improvements.

The MUA national secretary Paddy Crumlin even went so far as to publicly boast that the massive pay rises extracted by his union were secured without any productivity trade-offs whatsoever.

In the current IR environment resource employers are regularly involved in agreement negotiations where discussions on productivity improvements are rarely tolerated or understood, let alone achieved under the existing Fair Work framework.

Further, the mandatory involvement of unions in Greenfield agreements for new projects and the lack of other agreement making options, means employers are pressured to accept exorbitant claims or risk agreements not being signed, resulting in lengthy delays to project timelines and costs.

(SLIDE 11: Below wage outcomes)

On screen are the typical wage results from an offshore construction agreement in Western Australia.

This particular employer was forced to accept these indicative rates for three week on, three week off rostered employees in the offshore construction sector:

- $317,734 per annum for a laundry hand;
- $334,408 per annum for a cook;
- $337,484 per annum for a tradesperson; and
- $373,701 for a barge welder per annum.

The employer received no productivity gains from this agreement – and it is all considered perfectly in line with the philosophy of the current IR system, a philosophy the Fair Work Review Panel refused to accept had any major flaws.

The Business Council of Australia recently conducted a study into how Australia can secure more than $900 billion of major resource, infrastructure and related projects that are slated for our country within the next decade. The study found two very concerning obstacles to securing this investment that ties in well with these practical examples.

1) The uncertainty among the regulatory and legislative environment has investors believing Australia is a high risk investment market; and
2) The cost of proceeding with such projects in Australia, driven by lack of productivity outcomes and wage inflation, is much higher than our global competitors.

(SLIDE 12: BCA cost table)

We have already discussed our government's attitude to the cost of doing business in Australia and the stark contrast to recent reporting. Let's take a look at how we stack up to a comparable investment destination.

On screen is a table from the BCA's report which shows that iron ore projects are 38 per cent higher than the US Gulf Coast. Looking at the offshore oil and gas sector, in which the vessel operator example is derived, the cost of investing in projects is an alarming 200 per cent higher than this comparable destination.

Yet there is still no focus on how these costs link in to productivity and our IR system.

Despite the Review Panel's findings, on the ground it is becoming clearer that the objects of the *Fair Work Act* to deliver greater

productivity in enterprise bargaining are just not being met under the current framework.

A further disconnect here is that despite the inclusion within *Fair Work Act's* objectives of references to productivity outcomes there is no formal requirement to link enterprise agreement outcomes to productivity improvements. Nor is there any legal requirement for Fair Work Australia to ask the bargaining representatives to demonstrate the inclusion of productivity improvements before approving an agreement.

These outcomes are clearly unsustainable.

Wider implications of the legislation

(SLIDE 13: Saul Eslake quote)

In his presentation to last year's RBA annual policy conference, well-known economist Saul Eslake said "it would be wrong to suggest that there is any single, or overwhelming, 'cause' of Australia's poor productivity performance over the past decade".

He is correct. We've already heard today that there are multiple determinants, immediate – underlying and fundamental that impact productivity growth.

It is wrong however to downplay as we've seen the government and unions do in recent days, the role an effective industrial relations policy can play in improving productivity growth.

Pause

Furthermore, in AMMA's view, the impact of the IR framework in terms of productivity transcends far beyond just pure workplace relations matters and is now directly impacting the sector's work practices and workforce development strategies.

To highlight this point, let's take a quick look at a few of the common themes or requirements as identified more recently by commentators including Eslake and Angus Taylor for effectively building our national resource workforce and consider how the existing IR framework is also impeding these factors.

(SLIDE 14: Six common themes of workforce development)

1) It's commonly accepted, that the industry's first requirement is to **build the necessary size and composition of the required future labour force.** All things staying the same we already know that we may need up to 90,000 workers in the period up to 2016 to fill gaps in the operations stages of many projects, but by restricting our access to flexible agreement making options the Fair Work framework is also restricting our use of alternative methods of sourcing talent.

   More recently we have had unions, through the bargaining process attempting to restrict our ability to utilise temporary foreign workers and seek to involve themselves in our recruitment decisions. This is a major concern for our sector and could be addressed through changes to the existing IR framework.

2) A second requirement to building our resource workforce is to **increase participation rates** of women, Indigenous workers and other underrepresented sources of talent. For example, in conjunction with organisations such as APPEA, AMMA is aiming to increase female participation in the workforce to 25% by 2020 through the Australian Women in Resources Alliance. How is reducing or eliminating flexible working arrangements through limiting our access to agreement making options such as AWA's going to help us attract working mothers or non-traditional workers?

3) Another strategy in terms of our workforce development includes **increasing workforce mobility**. Yet, our industry's use of FIFO and DIDO workforces has been under threat by misleading union funded community and in some cases bargaining campaigns seeking to control the degree to which FIFO is utilised by resource employers.

4) Another strategy is to implement a range of **strategic HR management plans**. However, under the current bargaining regime we are seeing more and more matters being placed on the bargaining table that do not directly relate to the

employment relationship. How can resource employers be expected to develop and implement forward-thinking, engaging and dynamic workforce strategies when our current adversarial IR system pits labour against capital and allows third parties to interfere in managerial decisions?

(Slide 15 – ABF Quote)

An opportunity for reform

So – is there any light at the end of the tunnel? What are the prospects of legislative reform in the IR area in the next twelve months?

Throughout this presentation I've made several references to the Federal Government's Fair Work Act Review process. Despite the Panel handing down its quite disappointing recommendations, the fight is not necessarily over just yet.

The government and the Coalition still have a small window of opportunity to recognise the underlying influence of industrial regulation and policy settings which can constrain or enable future effects on productivity growth in sectors such as oil and gas.

To spare you all today, you'll be relieved to know I won't be taking you through all 54 of AMMA's recommendations; however I have put up a slide of my favourite eight. If accepted, these would go a long way to addressing the industry's concerns. I made a note here as to how the Review Panel treated my top 8 reform areas.

(SLIDE 16: brief notes on below reform areas)

A good starting point would be to actually place an emphasis on productivity outcomes when lodging agreements.

The irony here is that the Review Panel's report recommends Fair Work Australia gets more involved in business activities in order to boost productivity – all the while ignoring calls from business leaders and academics that the Fair Work Act itself is one of the barriers to restoring productivity.

It cannot be taken seriously that Fair Work Australia members should be able to impose themselves on employers in compulsory conciliation and arbitration processes relating to workplace practices. We're concerned by the panel's recommendations that employers with highly qualified managers somehow need constant intervention to run their businesses. Certainly this will not lead to increased productivity.

When direct employee/employer agreements were in place in the resource industry during the operation of the previous IR laws, real wages grew by 12 per cent, industrial disputation virtually disappeared and employment increased substantially. Such agreement making encouraged innovation and was a circuit breaker to union negotiations where militant officials were often stuck in the 1970s with their drummed up ambit claims.

Another area is to fix failed attempts to deliver any meaningful flexibility to businesses and workers through the existing Individual Flexibility Arrangements (IFAs). From the panel's report it would take a real optimist to think anything of this process as another failure in this area.

Other recommendations the industry has made, include employees being able to enter into agreements directly with their employers with an adequate safety net; breaking the union monopoly in Greenfield agreement-making for new projects; restoring a strong workplace cop on the construction beat, making it more difficult for unions to initiate strike action and ensuring a majority of employees support strike action before it proceeds.

Our argument on the latter, in relation to strike action, actually received favourable treatment in the Review Panel's report, but unfortunately this win for employers is very lonely among the pages of wins for the union movement.

(SLIDE 17: Rudd and Gillard 2007 IR promises)

In reality, many of the Panel's recommendations are nothing more than a vehicle to allow the Federal Government to move further away from its IR election promises. On screen are just two examples.

Then-Opposition Leader Kevin Rudd said in 2007 that in regards to appointments to Fair Work Australia: "I will not stand by and have this body become the agency of ex-trade union officials. People will be appointed on their merit."

Yet we have seen an endless tribe of ex-union officials appointed to Fair Work Australia compared to a handful of those from business.

Further, then-Deputy Opposition Leader Julia Gillard, told the National Press Club that she would 'sign a contract in blood, pledge her house and offer her mother as hostage' that the government would retain the current Right of Entry provisions for union officials.

Yet we have seen an exponential increase in union disruptions on site and, as early as this week, the outcomes of the ADJ Contracting case have again bolstered a union's ability to enter our worksites in order to push their agendas and bolster membership numbers.

There seems to be little consideration as to what impacts on our country's productivity these actions and broken promises have. If the Fair Work Review Panel's report is accepted, leaving all these areas untouched, we will have lost a real opportunity to fix up this failing legislation and create more productive workplace practices.

Conclusion

(SLIDE 18: Call to action)

So what do we make of this rather dismal outlook on Australia's IR laws and the soon-to-be finalised Fair Work Review process?

Despite the growing evidence that the Act is facilitating a return to workplace restrictions, disputes, wage blow-outs and lower productivity growth for resource employers, the outcomes from the Fair Work Act Review Panel have reinforced industry's concerns that we will not see significant changes in IR from the current review process.

Disappointingly, both the Government and the Opposition for different reasons seem reluctant to acknowledge the industry's concerns about the damage the framework is doing to Australia's productivity and workplace performance.

Here, in Australia we have a background of international economic uncertainty and falling domestic productivity, yet the best our political leaders can give us at the moment is a re-run of the 2010 *"WorkChoices will be back/WorkChoices is dead"* debate.

At this stage, AMMA believes it is unlikely the federal government will expand the number of areas it will act upon outside of that outlined in its review. Ironically, the Labor government may be dependent on the Coalition to get such reforms through the Senate, given the current hold the Greens have over the upper house.

All we can really from here, is to keep the pressure on the government that the recommendations outlined by the Review Panel are not acceptable.

Robust discussion about the key drivers of productivity and efficiency should be encouraged as there is much at stake and our industrial framework plays a crucial role in this.

Recently, a number of employers from many sectors have become more vocal in their concerns about the impact of the Fair Work laws on productivity.

In concert with broader industry commentary from groups like AMMA, ACCI and the BCA on the benefits of IR reform I believe this has been valuable to the debate.

For this reason, I encourage those of you here today who are in private enterprise to go back to your workplaces and consider adding more voices to the chorus of concerns that are being raised in the public domain, as well as in your own private discussions with governments at both a state and federal level about the current IR laws.

This is critical for not only the resource industry but all Australian business.

Because at this stage of the game, there is still time for the industry to convince the government and the Opposition that IR reform, whilst not the only factor that could contribute to productivity growth, is a major priority that needs to be addressed.