AMMA
RESOURCE INDUSTRY EMPLOYER GROUP

MEDIA RELEASE

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Arbitration nostalgia belongs to a failed bygone era

REPORTED moves that the ALP, in their dying days of government, plan to reintroduce arbitration back into Australia's workplace system, is a throwback to the pre-93 Keating era and would undo decades of workplace reform by both ALP and Coalition governments, says AMMA.

"Resource industry employers categorically oppose a return to any form of compulsory arbitration," says AMMA (Australian Mines and Metals Association) CEO Steve Knott.

"Arbitration fundamentally failed Australian employers, employees and the national economy in the 1980s; real wages declined and unemployment rose. This move makes absolutely no economic sense and represents another broken IR promise made by Julia Gillard, and another favour provided to the government's union constituency."

Reports over the last two days indicate that the federal government will, in the last months before the election, move to reintroduce three forms of arbitration to Australia's workplace system:

- New project arbitration - removing the ability for employers to set the wages and conditions for significant new Australian resource projects and address an already out-of-control cost situation.

- Intractable disputes – raising concerns about how an intractable dispute would be defined and paving the way for virtually any dispute to be arbitrated by the ALP's union-stacked Fair Work Commission (FWC) that has little to no real business expertise.

- "Consent arbitration" – which could see an uninvited FWC directly impose itself between employers and employees.

"Arbitration on new projects would see the cost of doing business in this country driven up even higher as union leaders ride their luck on the probability that their exorbitant and un-commercial claims would end up in front of one of their ex-trade union colleagues in the FWC," Mr Knott says.

"It effectively will discourage so-called good faith bargaining. Consent arbitration would allow the FWC to interfere in enterprise outcomes and make directions that they have little to no expertise in.

"Any pre-1993 arbitration approach will only serve to reward escalating union militancy that business leaders have identified as a major barrier to investing and employing people in Australia.

"Just because only one-in-eight Australian workers are joining unions, it doesn't mean our government has a mandate to unwind three decades of positive industrial reform away from centralised IR tribunal and union controls.

"A return to the prehistoric days of compulsory arbitration would not only break more promises made by this government in 2007 and 2008, it would further erode any remnants of Australia's reputation as a good place to invest in resource industry projects and contribute to employment and economic growth.

"It is also ironic that on a day when ACTU president Ged Kearney publicly made some nostalgic sentiments about moving forward with business, our workplace relations minister is reportedly planning to wind our IR system back 30 years."

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