

## Mining productivity must be top of Rudd's agenda

THE resource industry's national employer group, AMMA, has today launched a [discussion paper](#) into Australia's productivity challenges and opportunities while telling a Productivity Commission inquiry that workplace relations reform and skills initiatives must be top of the federal agenda.

"This year has seen the Australian resource industry at a crossroads, with easing of capital expenditure shielding, labour productivity at its lowest level in a generation and global competition for investment more intense than ever," says AMMA chief executive Steve Knott.

"Recent project scale-backs indicate that cost escalations and low productivity are impacting jobs and investment. Urgent leadership is required to both create a flexible and productive workplace relations framework and also to support skills development, labour mobility and workforce diversity.

"Both AMMA's productivity paper and our appearance before the Productivity Commission today emphasise that a multi-faceted approach to these issues is required to ensure our resource industry can deliver on its great promise."

Noting that Kevin Rudd stated in his first question time as Prime Minister last week that 'there is still a lot more work to be done on productivity', AMMA today told the Productivity Commission that the three anti-business, pro-union laws passed last week represented 'the entirely wrong direction'.

"It is unfathomable that our Prime Minister could commit to fixing our productivity while at the same time waving through parliament more productivity-sapping, union-sponsored changes to the Fair Work Act, restrictions to the 457 visa scheme, and red tape on offshore projects," Mr Knott says.

"With construction costs of new resource projects in Australia 30% more expensive than North America and some economists indicating we are headed for an investment cliff, our government is fooling no-one by ignoring the productivity impacts of its regressive workplace relations framework.

"The Productivity Commission itself warned a recent pickup in productivity growth should be treated with great caution. It has found the past eight years of negative or negligible overall productivity growth 'stands out in the historical record' and that labour productivity since 2003-04 is well below the long-term average.

"AMMA's paper raises a number of legislative and non-legislative proposals to address our nation's poor productivity across the areas of investment, work practices, leadership, technology, productive bargaining and skills development.

"If this government or Australia's next government can deliver on its promise to work closely with business on issues such as these, there is great opportunity for Australia's resource industry to become more internationally competitive, productive and sustainable."

AMMA's policy team today appeared before the Productivity Commission's *Inquiry into the non-financial barriers to mineral and energy resource exploration*.

Click [here](#) for AMMA's discussion paper *Resource Industry Productivity: Analysis and Policy Options*.

**MEDIA ENQUIRIES:** Contact AMMA media manager Tom Reid on 0419 153 407