

MEDIA RELEASE

August 27, 2013

Deliver productivity and competitiveness, resource employers tell future PM

RESOURCE industry employers have used a workplace relations survey conducted by AMMA to urge Australia's next Prime Minister to show immediate leadership on productivity, competitiveness and the escalating costs of doing business in this country.

As part of the newest instalment of <u>The AMMA Workplace Relations Research Project</u>, 52 employers across Australia's diverse resource industry were asked what advice they would give a future Rudd or Abbott government to promote Australia's international competitiveness. They indicated that:

- escalating labour costs are the overwhelming factor harming the Australian resource industry's international competitiveness;
- trade unions are often dictating terms to employers during bargaining and pursuing their own workplace agendas, rather than working to ensure the business remains commercially competitive;
- over-regulation of workplace relations in Australia has created a costly, time-consuming and unproductive framework for doing business and employing people;
- the Fair Work Act must be amended to create a more workable bargaining system for both existing workplaces and to successfully bring more new resource projects to market in Australia;
- access to temporary overseas labour through responsible skilled migration programs must be supported, not artificially held back, or risk harming further rapid resources development; and
- the level of specific taxes imposed on the resource industry must be reviewed.

"During this election campaign the current Prime Minister has insisted our resource industry has come to the end of its 'boom'. This research project clearly shows that with strong leadership and industry consultation, there is no reason prosperity and job creation cannot continue for decades," says Steve Knott, chief executive of resource industry employer group, AMMA.

"Industry feedback from the coalface shows the best place to start is to focus on the impacts of the Fair Work Act on productivity and competitiveness.

"These results indicate almost 9 out of 10 employers have not achieved any productivity gains in their new workplace agreements under the Fair Work Act. A further 75% say their productivity has reduced because of the current over-regulation of Australia's workplace relations system.

"The Rudd-Gillard-Rudd government has always claimed its Fair Work system promotes productivity and competitiveness. This is a triumph of faith over evidence. Clearly the longer employers are exposed to this legislation the further away from practical reality Labor's claims get.

"Almost half of our survey respondents stated that their companies have scaled back operations and investment in Australia during the past six months. More than 50% also said the union-veto on new project agreements has made it extremely difficult to bring new projects into this country.

"It is simply unacceptable that major investors wanting to do business and create jobs in this country are discouraged by an unbalanced, third-rate workplace relations framework. Any serious discussion about productivity and competitiveness must seek a balanced and responsible alternative system."

The August 2013 edition of <u>The AMMA Workplace Relations Research Project</u> is the sixth and final in a series of six-monthly surveys conducted with RMIT University that analyse the workplace relations environment in the resource industry.

The full scope of results covers employers' feedback on industrial action, union site access, wages, workplace flexibility, enterprise bargaining and engagement with the workforce.

Media Contact: AMMA media manager, Tom Reid on 0419 153 407