

GOVERNMENT

HITS GROUND RUNNING ON WORKPLACE CHANGE

Since winning government the Coalition has acted quietly but swiftly on key areas of its workplace relations policy, implementing pre-election promises to improve Australia's industrial laws in what it says will boost competitiveness, productivity and harmony – not the least in Australia's national resource industry.

MANY RECENT REPORTS argue Australia's

global competitiveness diminished greatly under the previous Labor Government's workplace agenda, with rising business costs and re-centralised regulation driving productivity to a record low, now 50% off its 2001 peak.

The Coalition's election victory brought a commitment to improve Australia's workplace laws through a soft but efficient approach. In an environment where resource projects are stalled by a flawed negotiation process and cost blow-outs have become the norm, the swift action being taken by the government has been widely welcomed by industry groups.

Rising to the top of the new federal government's workplace agenda in recent weeks is the resurrection of the Howard-era building industry watchdog - the Australian Building and Construction Commission (ABCC).

The move has been condemned by construction unions but particularly applauded by national resource industry employer group, the Australian Mines and Metals Association. Chief executive Steve Knott is confident a stronger industrial 'cop on the beat' will restore investor confidence in building new resources and related infrastructure projects in Australia.

"AMMA has long advocated for the return of the ABCC following the former government's unwarranted dismantling of



Steve Knott, chief executive officer, AMMA

the building industry watchdog in 2012," Mr Knott says.

"Every day Australia goes without a strong independent regulator to enforce the rule of law on construction sites, is a day in which our global reputation as a reliable and cost competitive place to invest and build new projects remains in jeopardy."

Australia's investment pipeline currently holds \$446bn in committed projects, with an additional \$280bn awaiting final investment decision.

Mr Knott says many of

these can be found in the resource sector, which accounts for 10% of Australia's GDP and warrants stringent protection from unlawful union activity.

"With around \$200 billion of new resource projects under consideration, upholding our industrial laws will help deliver the confidence to move these projects into the committed stage," he says.

"Enforcing an effective national code of conduct will ensure both employers and employees in the construction sector comply with Australia's workplace relations laws, and will deliver strong economic outcomes for our sector and the wider economy."

Resource employers have also welcomed the Coalition's consideration for an independent review process for Australia's national workplace tribunal, the Fair Work Commission.

AMMA's view on the appeals body stems from the former Labor government's three-year recentralisation of Australia's workplace relations system, during which the Fair Work Commission transformed into an 'unduly interpretive' tribunal.

"Users of regulation are entitled to expect access to an independent review when decisions are made which could adversely impact them, and this includes all parties subject to our workplace relations laws," he says.

"An experienced appeals body for the FWC could more clearly establish precedent on key matters, assist the integrity of the system and shine a light on commission members not up to the mark."

With two-thirds of new Commission appointments under the former ALP government coming from labour lawyer or trade union-affiliated backgrounds, Mr Knott says the imbalance of representation in the Commission has caused inconsistent rulings. Recent examples include contradictory findings on the

right of employers to use urine sampling in alcohol and drug testing policies; or whether an employee can be lawfully dismissed for distributing pornographic material on work computers or physically assaulting a fellow employee.

"This imbalance means there is too often a lack of genuine workplace and commercial experience in determining matters affecting billion dollar investments, such as those on resource industry projects that create employment and incomes for entire communities," Mr Knott says.

"In recent times there have growing concerns about inconsistent approaches between Commission decisions. It is not uncommon for the same subject matter and similar facts to be determined differently simply on the basis of which commissioner parties appear before."

At the time of writing, Employment Minister Eric Abetz was also planning to table a legislative bill that would establish a Registered Organisations Commission. The Commission will enact the Coalition's mandate to hold unions accountable for unlawful and corrupt behaviour, a move AMMA says is crucial for the protection of both union members and their employers.

"Any union committed to doing the right thing and acting lawfully and responsibly would have nothing to fear from such changes, which only concern unions engaging in thuggery and intimidation on Australia's building sites, or misappropriate their members' funds," Mr Knott states.

"These prudent regulations will ensure both unions and employer groups are properly governed and regulated."

If AMMA's work is anything to go by, the resource industry is playing a key role in the Coalition's plans to restore Australia's reputation as a leading destination for new project investment.

Time will tell if regulatory reforms undertaken over the next 12 months will immediately improve productivity and investor confidence, thus creating more jobs and strengthening economic prosperity.