

# CREATING A BETTER POLICY PLATFORM

Restoring Australia's global reputation as a top investment destination is a key priority for Australia's national resource employer group, AMMA

QUEENSLAND has long been a leader in energy supply through a thriving coal sector that holds more than \$85 billion in projects at various stages of development and produces almost half of our nation's total coal exports.

With the three major LNG projects on Curtis Island moving rapidly through construction, the state is also emerging on the global stage as a major producer of natural gas.

The flow-on economic and employment benefits from Queensland's burgeoning resources sector has been significant. Some 35,000 people are employed across coal and metalliferous mining in the state while the \$62.5 billion of capital invested into making Gladstone a world-class CSG/ LNG export hub has created 16,000 construction jobs alone.

Despite this, data from the Bureau of Resource and Energy Economics shows a lack of new investment projects coming to market that will sustain such construction-led activity. The fact is that the growth prospects of Australia's resource industry is under threat as new global competitors and our high-cost, low-productivity operating environment sees investment opportunities lost to overseas markets.

Recently, the Australian Workplace and Productivity Agency predicted that without new resource investment, construction jobs created by the resource sector nationally will fall from 83,324 to just 7708 by 2018. Reversing this trend is critical for the national well being.

The state government has made positive moves with its 30-year plan for resource development. High on the state's agenda is greater support for resource exploration activities which forms the critical R&D of our sector.

This local focus on exploration aligns well with the federal government's priorities to cut red tape and give smaller explorers a fairer go at securing new tenements that will be critical to supporting the future growth of our industry.

Recently the federal government green-lighted four major mining and related infrastructure projects in Queensland.

While the Adani T0 coal project and the development of three significant coal export terminals at Abbot Point will provide a strong injection of jobs and economic benefits, there are increasing doubts about the commercial viability of Arrow Energy's \$20 billion LNG facility at Curtis Island – ringing further alarm bells about our declining competitiveness.

One area of federal policy that has a dramatic impact on investment and growth in new projects is workplace relations.

For instance, resource employers face an increasingly difficult environment for negotiating enterprise agreements with unions for new projects. This form of new project agreement making is known as 'greenfields negotiations' and is a major problem with our current workplace system.

The former government gave unions a monopoly on new projects, greatly contributing to project delays and inflated wages and conditions. Here on the east coast we can at least be thankful that our employers aren't paying kitchen hands and cooks on offshore gas projects more than \$330,000 a year - as they are in WA.

Included in the Fair Work Amendment Bill 2014, introduced to parliament by the Coalition Government in March, are moderate but welcome changes to these laws that will better encourage and support future project investment in Australia.

Last month, respected former Labor Government minister Martin Ferguson stood up and said essential workplace relations reform is needed to bring Australia back into line with our global competitors and ensure our resource industry can again be the envy of the world.

Returning the workplace relations pendulum to the sensible centre is key to prolonging resource industry growth, and AMMA looks forward to seeing legislation passed that will support more resource investment, more projects and more jobs.

With its vast reserves of untapped natural resources just waiting to be converted into employment opportunities, taxation royalties and flow-on economic benefits for local businesses, such a focus will see Queensland continue to thrive.



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Opinion