

MEDIA RELEASE

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Important Fair Work Act changes to allow third parties to stop damaging strikes

THE resource industry strongly endorses technical changes to the Fair Work system which will allow a third party which is impacted by damaging strike action to apply to the Fair Work Commission (FWC) to suspend or terminate that action.

Steve Knott, chief executive of resource industry employer group AMMA, says the Commonwealth's changes this week will provide much-needed industrial powers for the Western Australian Government as well as employers facing crippling strikes.

"The new regulation will allow a minister of a state which has not referred its industrial relations powers to the Commonwealth, to apply to the Fair Work Commission for the suspension or termination of protected industrial action," Mr Knott says.

"Such a power exists presently for the ministers of all the states except for Western Australia, where industrial action often threatens both state operations and international trade activities of great national significance.

"The change fixes this anomaly which Labor did not address, despite calls from the WA Government to allow it the same legal capacities as its counterparts in other jurisdictions."

Importantly, the new regulation will also allow innocent third parties directly impacted by damaging strike action to pursue relief through the FWC.

"This move recognises that strike action sometimes has far broader impacts than just the direct parties, including hurting employers and employees on both sides of the supply chain and disrupting economic activities more widely," Mr Knott says.

"A current example is the Teekay Shipping dispute, where a small group of well-paid tug boat employees are threatening to halt the \$100 million per day export operations of Port Hedland.

"At a state level, such a stoppage would cost Western Australian taxpayers around \$7 million per day in revenue foregone in lost iron ore royalties. Over three days that is the entire state budget for homeless support or the cost of building a new primary school.

"Ultimately, the Fair Work Commission will decide how it deals with these matters on a case-by-case basis, but clearly any workplace system that allows a third party to be so heavily impacted by strike action should be amended so they can state their case to the tribunal."

While a small change to the Fair Work Act 2009, the move also provides much-needed scope to apply to stop strike action where it is threatened, and before it can wreak economic havoc.

"It is well recognised that threatening to take industrial action can inflict as much commercial disruption as the action itself. This has been exacerbated under the Fair Work Act, where union tactics has often seen notice given to strike and then withdrawn at the last minute," Mr Knott says.

"There is also a greater cost to consider to our international reputation as a reliable supplier of resource commodities. This reputation has been hard won but can be easily lost.

"Australia does not have a monopoly on such exports and provisions such as those introduced by the government this week will assist in minimising the impact of unnecessary strike action on our national reputation and global competitiveness."

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