



SUPPORTING RESOURCE INDUSTRY COMPETITIVENESS THROUGH WORKPLACE REFORM

BY SCOTT BARKLAMB, EXECUTIVE DIRECTOR, POLICY AND PUBLIC AFFAIRS, AUSTRALIAN MINES AND METALS ASSOCIATION



THE AUSTRALIAN MINES AND METALS ASSOCIATION (AMMA) HAS LONG BEEN A VOCAL ADVOCATE FOR REFORM OF HOW WE REGULATE WORK IN AUSTRALIA, AND THE URGENT NEED TO FIX SIGNIFICANT FLAWS IN THE PREVIOUS GOVERNMENT'S FAIR WORK ACT. HERE, EXECUTIVE DIRECTOR OF POLICY AND PUBLIC AFFAIRS, SCOTT BARKLAMB, REVIEWS PROGRESS IN WORKPLACE REFORM AFTER THE COALITION'S FIRST FULL YEAR IN GOVERNMENT, AND THE RESOURCE INDUSTRY'S PRIORITIES FOR FUTURE CHANGE.

Successfully addressing the competitive challenges facing Australia's resource industry won't come from government and legislative reform alone – it will require our industry to continue to innovate, and to create new efficiencies and productivity improvements to better compete in ever globalising markets.

However, the role of government in creating a regulatory environment that supports and encourages industry innovation and investment remains absolutely critical. AMMA has long argued that one of the starting points must be genuine workplace relations reform.

Change commenced early in the year through the Fair Work Amendment Bill 2014, which has passed the lower house but is unlikely to be considered by the Senate until 2015. While ongoing delays are frustrating and unmerited, the bill encouragingly addresses three major areas of concern for Australia's resource employers.

Firstly, the 2014 bill would uphold the Coalition's commitment to restore the pre-2009 laws on how, when and why union officials can legally enter workplaces.

Despite the strongest possible promise not to amend the union entry laws, the former Labor government removed many of the key checks and balances, effectively exposing resource operations around the country to a deluge of deliberately disruptive, on-site union recruitment drives. Further changes in 2013 opened up lunch rooms and subsidised remote site visits to union officials. This typifies the problems created by the Rudd/Gillard government policy hubris on workplace relations and failure to respect and engage with the concerns of industry.

The second major reform in the government's first round of workplace amendments is creating more balanced, competitive and efficient process for setting the wages and conditions for new, or "Greenfields", resource projects. Again, Labor's poor policy and poor execution has delivered delays and cost overruns in major project construction across the past three years.

The existing flawed legislation will continue to harm major project investment in this country until the 2014 amendments are passed. The third significant positive to come from the Fair Work Amendment Bill 2014 is the introduction of a more workable system for flexible working arrangements.

Beyond these proposed reforms to Julia Gillard's increasingly dysfunctional Fair Work Act, there have been other positive movements in workplace relations policy during 2014.

The government moved quickly to introduce legislation to not only restore the Australian Building and Construction Commission (ABCC), but also to extend its enforcement powers to offshore construction projects. The ABCC is a proven regulator, which should never have been abolished in favour of watered down enforcement. AMMA, along with the ACCI network, has consistently supported the restoration of the ABCC and will continue to do so.

Another significant problem with the previous government's Fair Work Act is the ease with which unions can take legally-protected strike action during

bargaining – often over matters not relating directly to the employment relationship and previously considered 'off limits'. While we are yet to see amendments to fix these problems, the government did go some way to addressing strike action and union militancy with the introduction of a new regulation that allows third parties to apply to stop damaging strike action before it occurs.

Also under consideration by the government is the creation of an independent, separate industrial relations appeals jurisdiction, which would review rulings by the Fair Work Commission to ensure greater consistency in decisions and that longstanding industrial precedents are followed.

AMMA has been at the forefront of advocacy for such a body, following employer concerns over decision making and restructuring that have reduced confidence in the Fair Work Commission. New appeals arrangements would also see Australia come into line with international best practice.

While the Coalition's first year in government may not have delivered the scale of workplace relations reform sought by many in the business community, the various amendments before parliament as well as further foreshadowed reforms invite a positive outlook for a more balanced and competitive workplace system in the near future.

Importantly, the impending Productivity Commission review represents an historic 'once in a generation' opportunity

to ensure Australia's industrial relations system can support the future aspirations and prosperity of our nation. This is set to a critical opportunity to address the big picture questions that will shape how we regulate work, and encourage employment, investment, and growth for decades to come.

The success of the Productivity Commission review in advancing genuine workplace reform, and of the government in securing the passage of the changes outlined above, will rely on the ACCI network and wider business community playing its part. In 2015, it will be more important than ever that AMMA, ACCI and each ACCI member organisation actively critique the existing system, explain the problems it is causing for their members, contribute to first rate policy development, and energetically pursue the best possible case for change

About AMMA: Australian Metals and Mines Australia (AMMA) is Australia's national resource industry employer group, a unified voice driving effective workforce outcomes. Having actively served resource employers for 96 years, AMMA's vast membership covers employers in every allied sector of this diverse and rapidly evolving resource industry. AMMA's members include companies directly and indirectly employing more than half a million working Australians in mining, hydrocarbons, maritime, exploration, energy, transport, construction, smelting and refining, as well as suppliers to these industries. For more information, visit: www.amma.org.au

