



Uncovering 36,000 jobs

NEW KPMG research into the impacts of Australia's workplace relations system on resource sector productivity and investment has shown that the industry's recommended reforms could add up to \$30.9 billion to Australia's GDP and create up to 36,000 additional jobs.

KPMG estimates that if key workplace reforms advocated by AMMA were fully implemented, they could collectively support resource sector productivity growth of up to 5% and investment of up to 8%. This would grow national GDP by 2% and employment by 0.3%.

"In real numbers, this means Australia could have \$30.9 billion more in GDP and an additional 36,000 jobs if modest workplace changes identified by the resource industry were enacted," says AMMA chief executive Steve Knott.

"This research takes what we believe are sensible, modest changes to the workplace system and quantifies the significant benefits to our economy, employment and living standards.

"KPMG's report should be a wake-up call to our politicians and the wider community that workplace relations reform is important for the prosperity and job opportunities of all Australians. We must have a national discussion about fixing the problems that beset the current system."

The KPMG research report, Workplace Relations and the Competitiveness of the Australian Resources Sector, is released as the Productivity Commission on Friday takes submissions for its wide-ranging review of Australia's workplace relations system.

AMMA's comprehensive submission will present KPMG's

analysis, which draws logical, clear links between AMMA's recommended workplace relations reforms, the likely outcomes for labour productivity and investment in the resource industry, and the

benefits to the nation as a whole if such reforms were enacted.

In building its quantitative analysis of changes in workplace relations, KPMG consulted a range of resource employers including AMMA members and found AMMA's reform options could have the following impacts:

- Agreement making &

bargaining: Reducing the costs associated with project delays, unproductive operational practices, and excessive increases in wages and conditions.

- Strike action: Reducing the risk of actual and threatened industrial action on major resource projects - minimising

risks to project timelines, costs and loss of production.

- Union site entry laws:

Reducing the administrative, compliance and productivity costs of excessive and unnecessary union visits under the Fair Work Act. AMMA says access should revert to the pre-2009 position of being

undertaken on a reasonable and orderly basis.

- Adverse action laws: Reducing the rising costs and prevalence of employers having to defend themselves against legal claims and a 'guilty until proven innocent' reverse onus of proof that employers say encourages unmeritorious claims.

In addition to economic modelling of proposed workplace reforms, KPMG also

explores the competitiveness of the Australian resource industry, with key findings including:

- Between 2007 and 2012, Australia has gone from being one of the most competitive markets for coal production to being 66% more expensive than the global average (cost increase of 189% in just five years).

- Wages in the Australian iron ore industry, as a proportion of revenue, are 21% higher than the global average.



Mining companies aid communities: study

A CASE study of Glencore Mount Isa Mines' Community Program within KPMG's report showed mining companies' ability to significantly contribute to community development. "Glencore plays an important role in addressing socio-economic challenges of the local Mount Isa community by providing jobs, skills, and training, paying taxes and royalties, procuring goods and services from local enterprises, supporting community development programs and investing in local

infrastructure," the report stated. KPMG's case study described Mount Isa as a "large transient, shift working population with a diverse range of socio-economic groups". "Mount Isa was considered to be a community in economic decline, but recent growth in the local resources industry has seen the population expand significantly," the report stated. "Between 2006 and 2011, residents in Mount Isa increased by 1.9 per cent per annum, compare with the national growth rate of 1.5

per cent per annum. Thirty-one per cent of the population is employed in the resources industry, as at the 2011 census, which represents a 61.6 per cent increase of people employed in the mining industry in the region from 2001 to 2011. "The highest level of educational attainment in Mount Isa included 47.4 per cent of the resident population who had completed year 12 in 2011, which compares to 38.5 per cent who had achieved the same level in 2006 and 55.3 per cent for the Regional Queensland average"



INTERESTING FINDINGS: Productivity and investment could create 36,000 new jobs if resources industry recommended reforms are implemented.