

# MEDIA RELEASE

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## **Productivity Commission lays blueprint for better resource project negotiations**

*(AMMA – Australian Mines and Metals Association)*

THE Productivity Commission has today laid the blueprint for getting new major resource sector projects approved in Australia faster and more competitively, by proposing a more efficient and modernised system for new project industrial negotiations in its draft workplace relations report.

In its proposed system for new project agreement making, known as 'greenfields', the Productivity Commission has taken on board a number of recommendations from resource industry employer group AMMA's 'roadmap for reform', which provided extensive independent analysis of the problems created by the current provisions within the *Fair Work Act 2009*.

"Resource employers will be very pleased to see the Productivity Commission acknowledge and act on the well-documented problems with the current new project agreement framework," says AMMA chief executive Steve Knott.

"We need a system for new projects that will reverse some of the excessive delays and cost blow-outs on major resource sector developments that has seen our sector become globally uncompetitive."

Specifically, the Productivity Commission has recommended that:

- Greater industrial certainty be achieved by allowing agreements to have a nominal expiry date of up to five years (up from the current four years) or the life of a greenfields project, subject to approval by the Commission.
- If an agreement has not been reached after three months, the employer may either request the Commission to choose between the 'last offers' made by the employer and the union or submit the employer's proposed greenfields arrangement for approval with a 12 month nominal expiry date.
- Greenfield agreements should be subject to good faith bargaining requirements, and importantly, subject to a no disadvantage test.

"The Productivity Commission's proposed model for greenfield projects would be a positive first step towards putting in place a competitive system that gets Australia back on track to securing more projects and the jobs they bring to the nation," Mr Knott says.

"It's also pleasing to see a number of other recommendations that will begin to address problems in the workplace relations system including better Fair Work Commission appointment processes and reviews of members' performance, as well as making strike action a genuine last resort."

More broadly, AMMA is urging today's report be met with mature national debate, not marred by union scare campaigns or political point-scoring already playing out in the public space.

"It has been blatantly clear for too long that our workplace relations system is not fit for a modern Australia. We call on all parties to examine the recommendations with cool heads and open minds. This report must not be overshadowed by scare campaigns or misinformation," Mr Knott continues.

"AMMA looks forward to analysing the draft recommendations in greater detail and providing the Productivity Commission with the resource industry's feedback during further consultation."

AMMA has been heavily involved in the PC review consultation process and lodged a comprehensive submission backed by [KPMG analysis](#) detailing the economic benefits that reforms could deliver.

**MEDIA:** Steve Knott will speak on the resource industry's priorities for workplace reform in his opening address at [AMMA's 2015 Resource People National Conference](#), commencing in Perth this Thursday (6<sup>th</sup> – 7<sup>th</sup> Aug). Media can register via Kylie Sully on 0409 781 580 or [kylie.sully@amma.org.au](mailto:kylie.sully@amma.org.au).