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## Labor offers highly skilled workers a pay cut

IN ANOTHER preview to how the ACTU will dictate Labor Party policy should it form government at the next federal election, Opposition Leader Bill Shorten is using unsubstantiated claims and baseless accusations to push for excessive regulation and disincentives to high-paid labour hire arrangements.

“With few exceptions, labour hire has been used responsibly in Australia for decades. Covering less than 2% of Australian workers, it forms a small but important component of the overall labour market in modern economies,” said Steve Knott, CEO of Australian Resources and Energy Group AMMA.

“Bill Shorten is effectively offering a pay cut for highly skilled workers, such as those in the resources and energy sector who are paid a premium for their specialist skills and temporary nature of project work.

“It’s clear that the true intention of the ALP’s policy is not ‘same job, same pay’, but to shut down labour hire arrangements at the behest of the ACTU.”

There are some very important facts about labour hire missing from the ACTU / ALP campaign:

### 1. **Labour hire employees have the same rights and protections as anyone else**

Labour hire employees are paid competitively, including additional loadings, and enjoy the full protections and procedural fairness available to other employees under the Fair Work Act. The assertion there is widespread exploitation in labour hire arrangements is simply wrong – numerous state inquiries found only a handful of cases across a small number of low-paying sectors.

Support for new regulation fails to recognise that areas of concern can be better addressed by enforcement of existing protections, of which there are many.

### 2. **Labour hire is essential for cyclical, project work such as in the resources sector**

On major resources and energy projects, a reliable source of labour from a labour hire company allows companies to focus on what they specialise in, such as engineering or project coordination, rather than recruitment. This contributes to the efficiency and success of projects which ultimately delivers great benefits to the Australian economy.

### 3. **There are well-recognised benefits for employees**

Labour hire suits many Australians who seek flexibility and choice in employment. The Productivity Commission has recognised “*not everybody wants to work under the same conditions, these alternative employment forms partly satisfy the wide variety of preferences across the workforce*”.

### 4. **New regulation is unnecessary red tape and will impact business**

Labour hire licensing creates additional regulatory burden aimed at providing a disincentive to labour hire rather than addressing isolated, sector-specific instances of wrongdoing. Aside from union membership objectives, there is no evidence to justify imposing new regulation on lawful, compliant and high-paying labour hire arrangements such as in the resources sector.

“The attack on labour hire is typical of the ACTU’s desperate self-preservation mission, seeking to eradicate any form of work that is difficult to market union membership to,” Mr Knott said.

“The decades-long decline in union membership now sees less than 1-in-10 private sector employees in trade unions. In 2018, there are more small to medium business enterprises than there are union members; businesses that employ more than seven million Australians.

“It’s disappointing to see the Opposition Leader release another policy based on union self-interest, completely out-of-touch with employers and employees in modern day Australia.”

**MEDIA CONTACT:** Tom Reid, 0419 153 407