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‘Let high-paid miners opt out of IR system’

EXCLUSIVE

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Resource sector workers earning more than \$142,000 a year should be able to “opt out” of the workplace relations system, permanently losing an array of legal protections and the right to ever strike in return for more “flexible” employment terms and conditions, a report by employers says.

The report by the Australian Mines and Metals Association was based on interviews with more than 100 resources and energy executives and senior managers about their experiences with the current workplace relations system and what regulatory approach they believed was required to support “jobs innovation and growth into the future”.

The report says future workplace regulation must move away from “collectivist models” and accommodate the emergence of new classes of highly skilled workers who function independently and build their own direct relationship with the goals of their employer.

Ninety-four per cent of the surveyed employers agreed that individual workers should be free to “opt out” of collective bargaining at any time. The report says Australia should adopt a “multi-tiered approach to work regulation that would free employers and employees in high-income

areas from unnecessary regulatory burden”.

“The argument is the majority

of regulation and protections become unnecessary once a certain salary is reached,” it says.

“There could be less regulation for employees above a nominated high income threshold, and less regulation for high-paying employers.

“A mechanism should also exist for employers in the highest-paying sectors of the economy to completely remove the risk of

protected industrial action in their workplaces.”

The report quotes an executive saying “employers and employees can enter into common law contracts now, but what you can’t do is entirely remove the threat of industrial action”.

People on “staff contracts” could at any time organise themselves, seek to collectively bargain and strike over their claims.

The report says the proposed approach “could deliver permanent and effective relief from the threat of industrial action”.

AMMA chief executive Steve Knott said the broad view among employers was that “despite engaging highly skilled individuals

on excellent conditions, two or three times the Australian median wage, the system just does not allow for businesses operating in global competitive markets to

remove exposure to strike risk and often unmeritorious general protections claims”.

“AMMA has deliberately left the salary threshold for when a high-earning individual should essentially be out of the system up for interpretation and debate,” Mr Knott said.

“However, the unfair-dismissal salary threshold of \$142,000 would be the logical starting point. This would still be far below many of the high-skilled employees whom AMMA refers in our report.

“Most of the industry respondents to the survey and other research inputs employ a large number of people earning at least \$200,000 a year, which is consistent with the ABS’s median wage for our industry.”

He said removing employee protections from the federal system would not mean workers lost protection from discrimination and bullying as these were covered by state laws.

“Applying a complex web of protections intended for vulnerable employees to those in the highest percentile of the labour market only creates inefficiencies, regulatory burden and productivity costs,” he said.

“No employer worth their salt would go through the expense of recruitment, training, and workplace inductions only to then embark on a process of sacking someone without good reason.”

‘The majority of regulation and protections become unnecessary once a certain salary is reached’

AMMA REPORT