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COVID-19 workplace change stifled by IR system: survey

The majority of Australia's resources and energy employers are being prevented from enacting much-needed workplace changes during the COVID-19 pandemic by inflexibilities in the national industrial relations system, according to a survey of more than 100 companies.

The survey, conducted over the past two weeks by Australian Resources and Energy Group AMMA, captures insights of employers from a representative cross-section of the industry, ranging from major ASX50 companies to SMEs within the oil and gas, mining, service suppliers and transport sectors.

Results reveal the impact of Australia's heavily-regulated industrial relations as employers try to keep on top of the constantly evolving COVID-19 situation, with more than half (57%) of respondents saying the IR system has made it "difficult" or "very difficult" to implement necessary workplace changes.

Strict consultation requirements in enterprise agreements was the biggest identified barrier, with 54% of respondents indicating this is preventing them from making necessary change.

Other findings from the survey include:

- 70% of respondents have changed or intend to change operational rosters to minimise labour movement, but half of all respondents (51%) reported barriers or impediments to doing so.
- Two-thirds (67%) have temporarily relocated employees due to travel restrictions.
- 75% have enterprise agreements in place, 67% utilise common law contracts and only 33% have award-based employees.
- Nearly half (49%) of members surveyed said the COVID-19 response measures have affected more than 80 per cent of their workforce.
- 34% identified union agreement as a significant impediment, whilst 29% said approval of the majority of the workforce was a barrier.

The results support AMMA's call for the Australian Government to consider suspending industrial awards and enterprise agreements for up to six months as a measure to save more businesses and jobs from being lost to the COVID-19 crisis.


"It is clear these unprecedented times require business to have more agility and urgency in their decision-making to survive," AMMA Chief Executive Steve Knott AM said.

"The Government's measures to date – including the JobKeeper scheme and fast-tracking minimum consultation periods - are a step in the right direction, but are occurring too slowly and not offering broad enough relief to the majority of employers.

"Most resources and energy employers are being stifled by Australia's overly-rigid IR system. Important measures needing fast action are still requiring the support of third parties and the majority of the workforce.

"This brings into play things like consultation provisions, dispute resolution procedures and lengthy analysis of whether employees are 'better off overall all' against complex award requirements.

"The reality is Australia's outdated industrial relations system of complex awards, restrictive enterprise agreements, lengthy consultation requirements and so called Fair Work Commission 'assistance' won't save a single job, but will unnecessarily cost many."



On a positive note, AMMA's survey shows nearly half of resource sector employers (47%) have no plans to reduce their workforces at this stage. They are however expecting COVID-19 challenges to last at least six months.

“As an industry that delivers the nation \$35 billion in taxes and royalties each year, and is forecast to bounce back and lead the eventual economic recovery, Australia's resources and energy employers must be better supported in their actions to save jobs and maintain their operations,” Mr Knott said.

“The Australian community generally trusts the business community to do the right thing, and overwhelming it does. Now is the time to put faith in employers to do whatever is in their power, within reason, to get them and their employees through the COVID-19 waters without having to shed jobs.

“This requires bolder action on industrial relations policy.”

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