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IR reforms to lift Australia's post-pandemic recovery

STREAMLINING agreement making, simplifying the safety net and reducing the enormous risk, cost and uncertainty in Australia's employment system, are the top priority industrial relations reforms provided by Australian resources employers to the Prime Minister for the post-COVID-19 recovery.

Ahead of his National Press Club address today, Australian Resources and Energy Group AMMA has provided Mr Morrison with the industry's *Post-Pandemic IR Reform Framework*.

"In the post-COVID environment we need a system that encourages business to employ, and gets jobseekers back into the workforce," AMMA Chief Executive Steve Knott AM said.

"Our reforms are about keeping people in work, getting more people in work and improving existing pay and conditions.

"With up to 20% of the private sector predicted to be either unemployed or underemployed in coming months, these reforms are targeted at streamlining and incentivising new employment during the post-pandemic recovery."

AMMA's IR reform framework covers three areas of longstanding frustration for the resources and energy industry and the business community more broadly:

- **Agreement Making:** unnecessarily technical, far too slow and limited in options.
- **The Safety Net:** the most complex in the world and a source of significant burden and red-tape.
- **Risk, Cost & Uncertainty:** including casual employment liabilities, uncertainty on personal leave entitlements, and the huge costs of unfair dismissal and 'adverse action' laws.

"The COVID-19 crisis has lifted the lid on just how poorly designed Australia's industrial relations system really is," Mr Knott said.

"Years of uninterrupted economic growth and near-full employment have provided successive Australian Governments the convenience of looking the other way on industrial relations reform.

"This is a luxury the Morrison Government no longer has. We have to get back in the business of industrial relations reform for Australia to bounce back in the post-COVID recovery period.

"AMMA and its members are pleased to learn industrial relations reforms will form part of the Prime Ministers post-pandemic economic recovery plan to be unveiled later today (Tuesday 26 May), and look forward to engaging in the process of reform over coming weeks and months.

"Whilst challenged enormously by COVID-19, AMMA's resources and energy members are well-placed to lead our nation's economic recovery, through both the sustainability of existing operations and the \$100 billion in new major projects at an advanced stage in Australia's investment pipeline."

Summary of AMMA's *Post-Pandemic IR Reform Framework* [attached](#) next page.

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POST-PANDEMIC INDUSTRIAL RELATIONS REFORMS

ESSENTIAL TO SUSTAINED ECONOMIC RECOVERY



1

AGREEMENT MAKING

Agreement making in Australia is unnecessarily technical, limited in options and amongst the slowest in the world. Expanding agreement options and streamlining the process will boost employment during the pandemic recovery period.

1.1. EXPAND AGREEMENT MAKING OPTIONS

- » Retain enterprise bargaining for employers / employees who choose this mechanism, but focus bargaining on the employment relationship, productivity and competitiveness.
- » Provide for "High Income Employment Contracts", a new form of statutory individual agreements for employees earning a minimum of \$132,000 pa.
- » Provide for "Project Life Agreements" that offer industrial stability and certainty of cost for eligible major projects (minimum \$50m cap ex).

1.2. STREAMLINE AGREEMENT MAKING PROCESSES

- » Provide that any form of agreement is effectively in-term from date of lodgement with a statutory declaration that all legislative requirements have been met.
- » Move the agreement approvals function to the Fair Work Ombudsman (a highly resourced and compliance-focused regulator), and provide for a one month period in which the FWO must audit / review the agreement and either confirm compliance or seek corrections / amendments.
- » Provide a strict one-week window from date of lodgement in which any third parties can lodge objections or submissions to an agreement, to be considered by the FWO in its audit process.

2

THE SAFETY NET

Australia's safety net is the most complex in the world; creating layer upon layer of red-tape suffocating job creation. Simplifying the safety net will make it fast and easy to employ people and ensure they are well-paid and productively engaged.

- » Replace Australia's system of 122 "modern awards" with 19 "industry minimum wages" (note: aligned with the 18 industry employment data categories utilised by the ABS, with one extra for miscellaneous work).
- » Have a single baseline for minimum working conditions, allowances and entitlements (i.e. the "National Employment Standards" is the sole authority for all employment relationships, with the only variance being industry-specific weekly minimum pay).
- » Provide freedom to contract for all employers and employees above this simplified baseline.

Note: This would assist with the fast-tracked FWO agreement audit process – a simple matter of ensuring conditions meet the national minimum standards, and the weekly wage is equal to, or greater than, the relevant industry minimum.

3

RISK, COST & UNCERTAINTY

Australia's industrial relations system has become a legal minefield for employers, with more risk, cost and uncertainty associated with employing people than ever before. Addressing this will boost business confidence and encourage them to employ.

- » Provide a clear definition for casual employment in Australian workplace law that aligns to common understanding.
- » Ensure the longstanding practice for personal leave entitlement – two weeks equating to 76 ordinary hours per annum – is reflected in the simplified safety net.
- » Provide greater balance to unfair dismissal laws that supports employers taking legitimate action against unsafe practices and/or clear workplace misconduct.
- » Either abolish altogether, or significantly reform, the Adverse Action / General Protections provisions, which are an affront to the principles of justice and insert unprecedented liabilities into the employment relationship.