



Uproar over IR talks



Exclusive | Talks to fix industrial relations laws are on the brink of collapse after ACTU secretary Sally McManus accused

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Talks near collapse as ACTU cries sabotage

Exclusive

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Faltering attempts to have unions and business groups reach a consensus on industrial relations reform are on the brink of collapse, with the ACTU accusing some players of deliberately trying to sabotage the process.

ACTU secretary Sally McManus has told one business leader via email that she has been warned to withdraw the unions from the process or the employer groups will walk away.

"In the last 24 hours, I have received an email from one of the members with an ultimatum – give up on unions' involvement in protecting workers in bargaining or the employers will walk away," she says in an email to Australian Industry Group chief executive Innes Willox.

The email – which was sent on Tuesday to Mr Willox, copied to the heads of the other employer groups and obtained by *The Australian Financial Review* – accuses some of treating the process with disdain by advocating for a return of Australian Workplace Agreements, which were the centrepiece of John Howard's controversial WorkChoices policy.

Feeling it can no longer trust some of the participants, believed to be the Master Builders Association and the Australian Mines and Metals Association, the ACTU will only meet groups on an individual basis in a final attempt to salvage a policy result.

In a process set up by Prime Minister Scott Morrison to find common

ground on five areas of industrial relations reforms, the unions and five key business groups have been meeting on a regular basis for the past two months.

All signed confidentiality agreements to enable robust discussion and maximise the chances of a result.

But the process ran off the rails last week when the *Financial Review*

revealed that the Business Council of Australia had been ostracised by the other four employer groups for cutting a side deal with the ACTU to reform the enterprise bargaining system.

The other four, now known as the Group of Four, felt the deal was too favourable towards unions.

With the formal talks over, and in an attempt to salvage a solution, Mr Willox arranged a meeting on Monday between the ACTU and Group of Four – the Australian Industry Group, the Master Builders, the Mines and Metals Association and the Australia Chamber of Commerce and Industry.

The meeting was supposed to be confidential but was leaked, along with views supposedly expressed by Ms McManus which she says were false.

In her email, she thanks Mr Willox for arranging the meeting but says the process has been violated.

"The ACTU has taken seriously, and in good faith, the invitation from the Prime Minister in May to 'put aside differences to find co-operative solutions to specific problems especially at a time like this'," the email says.

"Cognisant of the Prime Minister's

words that 'the system has retreated to tribalism, conflict and ideological pos-

turing ... which no side of that debate has been immune', the ACTU has respectfully co-operated in the discussions, and in particular we have respected the confidentiality of all meetings.

"The ACTU has not at any stage used any confidential discussions to promote our position or to undermine fruitful exchange, despite members of the Group of 4 coming to some of those meetings with proposals like the reintroduction of Australian Workplace Agreements, a simple rehashing of the WorkChoices framework so comprehensively rejected by the Australian public."

Ms McManus said with hundreds of thousands of people out of work, much was at stake.

"That is why the outcome of yesterday's meeting is so disappointing – both the breach of confidence and the ultimatum to cut unions out of the process of protecting workers in bargaining," she said. "On this basis, and with great regret, I have to inform you that we are not prepared to continue to meet with the Group of 4."



ACTU secretary Sally McManus says she has been told to withdraw from IR negotiations by hostile business groups. PHOTO: LOUISE KENNERLEY