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Resource bosses in bid to woo ALP

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Six-year agreements limited to projects in excess of \$1bn that provide for annual pay rises up to 5 per cent are among “concessions” being proposed by employers to try to win ALP support for the Coalition’s fresh bid to legislate longer pay deals on major projects.

Oil and gas executives said they would also support arbitration of pay disputes midway through the life of a project if it meant Labor would back changes to greenfields agreements defeated when the government’s industrial relations bill was gutted in March.

Attorney-General Michaelia Cash on Monday welcomed the push by employers but did not comment on whether their proposed changes would be supported by the government and included in any new bill.

Labor industrial relations spokesman Tony Burke said the original bill would have allowed wages on major projects to be “effectively frozen for eight years” and it was up to the government to come forward with a new proposal.

ACTU secretary Sally McManus accused major resource and construction companies of seeking special new agreements to keep wages low and take rights off workers. “They will lobby hard for this because it is all about increasing their profits,” she said.

Australian Mines and Metals Association chief executive Steve Knott said several industry leaders had met with federal ALP frontbenchers in recent

weeks and “committed to paying annual wage increases at least in line with the upper expectations for the market”.

“Whether this is 2, 3, 4 or even 5 per cent will be determined by market forecasts and must be agreed to by unions by way of the legal requirement that they are party to greenfields agreements,” he told *The Australian*.

“The skills required to build these complex mega-projects are already in very short supply and expected to become even scarcer. All market estimates on wages for these skilled positions are trending upwards.”

Mr Knott said industry leaders had “made it very clear that they are amenable to other concessions to secure the ALP’s support”.

“This includes an arbitration process to settle disputes about wage increases midway through the project, provided that process is agreed to by parties at the outset of the agreement, is through a mutually nominated arbitrator and would not allow for any disruption of the project’s

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schedule, including by way of industrial action,” he said.

The original bill proposed

agreements run for eight years but it was capped at six years after the government supported an amendment by One Nation. It also agreed that projects had to be valued \$500m or more.

Mr Knott said industry was willing to accept a six-year cap and a higher eligibility threshold of \$1bn in capital value “addressing any concerns that \$500m is too low”.

He said it was “entirely spurious to suggest the industry was looking at, or would be capable of, locking in substandard wages and conditions as a result of six-year major project agreements. The model being proposed by oil and gas representatives in Canberra represents modest changes for big gains for the ALP, unions and the nation.

“Just one more year on what was readily available to employers up until 2009, with new safeguards for employees and union consultation processes that never existed before,” he said.

“The resistance from the ALP and unions in particular is unbelievable. It represents the worst manifestation of opposition for opposition’s sake, putting petty politics ahead of the national interest and the interests of employees in the industries they are supposed to represent.”

Senator Cash said industry was “putting the interests of their workers ahead of politics”. She said Labor leader Anthony Albanese and Labor “need to come to the table to pass our legislation - unfortunately, they have not shown any indication to the government that they are willing to reconsider their opposition”.

She said 108 minerals projects across Australia were in the pre-



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feasibility or feasibility stage, with a combined value of \$47bn. They would generate 30,000 construction jobs and 21,000 on-going jobs. "If a big project goes begging in Australia, Labor can only blame themselves for lost jobs and investment," she said.