



14 JAN, 2022

3pc wage rises risk jobs, say bosses

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Employers have warned increased industrial action by unions in pursuit of “unsustainable” wage claims would threaten jobs and “cripple” businesses as they emerged from the pandemic.

Key unions have vowed to pursue “significant” annual pay rises of at least 3 per cent in 2022, declaring frustrated workers were “itching” to strike in support of new wage claims.

While dealing with the worsening Omicron outbreak was their immediate priority, national union leaders said most employers had the capacity this year to fund above-inflation pay rises and workers were “overdue a big wage correction” after years of wage stagnation.

Australian Industry Group chief executive Innes Willox said claims by unions that business overall had done well out of the pandemic and made super profits were “just baloney” and not supported by industry-level data published by the Australian Bureau of Statistics.

“During the recovery from the pandemic it is important that wage increases are moderate and sustainable,” Mr Willox said.

“The last two years for most businesses have been very tough and it is not in anyone’s interests for there to be an outbreak of unsustainable wage claims and associated industrial action. Such

actions threaten jobs and business viability. It is time for everyone to pull together to support the recovery rather than unions seeing an opportunity to make unsustainable wage claims.”

United Workers Union national secretary Tim Kennedy told The Australian there was “emerging a clear expectation from workers, after two years of the pandemic, that 2022 is the time for real wage increases to be delivered”. “This means workers will be expecting wage outcomes beyond 3 per cent per annum in most sectors,” he said.

Australian Chamber of Commerce and Industry director of workplace relations Scott Barklamb said the experience for businesses across the economy remained disparate, with many still facing uncertainty and ongoing challenges posed by the pandemic.

“Threats of industrial action are a recipe for further uncertainty,” he said. “This will further cripple those businesses that are only just beginning to emerge from the devastation of lockdowns and restrictions.

“Small businesses, their workers, and the community, who have weathered significant losses through lockdowns and restrictions, cannot afford to be sluggish by irresponsible industrial action, whether directly or indirectly, as the recovery begins to gather pace.

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Bosses warn: 3pc wage rises would risk jobs, 'cripple' businesses

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Electrical Trades Union national secretary Allen Hicks said there was "pent-up demand for higher wages", which was translating to a more aggressive attitude to industrial action at workplaces across the country. "The business community's answer to every problem is always wage suppression, and workers

have simply had enough. They're more than fed up, they're itching to take action," he said.

Australian Workers Union national secretary Daniel Walton said many of the key industries members in worked had done extremely well during the pandemic and "there's no doubting there is ample room for significant wage rises in most areas".

Australian Mines and Metals

Association chief executive Steve Knott said "there should be no prizes to spot the union/ALP strategy here".

"Enterprise bargaining is on its deathbed, union membership has long been in decline and there will be a federal election in the first half of 2022," Mr Knott said.

"Australia's union leaders clearly see an opportunity for a 'triple header'; to try and address

all three issues at the same time. It would be highly irresponsible to play upon general anxieties and frustrations of workers with pandemic circumstances, in a national push for unrestrained industrial demands and widespread strikes."

Mr Barklamb said the next step for the industrial relations system should be to support employers and employees that want to work together, "not encouraging cynical and damaging strike action".

"Practical improvements to the Fair Work Act are needed to encourage employers and employees to enter into enterprise agreements that suit their needs," he said. "Trade unions have only got themselves to blame for the ongoing failure of enterprise bargaining following their opposition to reforms to the Fair Work Act."

Mr Knott said Australian businesses should not be "held to ransom over their stronger-than-expected performance that has seen the best retention of jobs in the world". "Slapping businesses with unsustainable wage claims, as we've already seen in recent months, will only lead to protracted bargaining and widespread strikes, all of which would be absolutely terrible for our national productivity," he said.