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Albanese likes union preference deals

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Wage negotiations

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Opposition Leader Anthony Albanese has referred favourably to a proposal to reform enterprise bargaining by preferencing union agreements, spurring employer groups to denounce it as breaching freedom of association.

Mr Albanese highlighted the Business Council's deal with the Australian Council of Trade Unions as a measure that would boost productivity when asked what he hoped to achieve at a "full employment" summit to be held with unions and employers if Labor won the election.

"Well, what we saw was the Business Council and the ACTU get very close to an agreement that would boost productivity," he told Sky News. "The way that you lift wages and lift profits can only be through productivity. That's how you can get a win-win."

The BCA-ACTU proposal, hashed out during IR reform talks in 2020, would have softened the better off overall test and simplified other requirements for agreements, including a 14-day approval deadline, if unions were party to the deals.

But the deal attracted controversy at the time among other employer groups as "unfairly" discriminating against non-union workplaces.

While Labor sources said Mr Albanese was referring to the BCA-ACTU deal as an example of the co-operation he hoped for at the summit, Master Builders chief executive Denita Wawn seized on the comment as inferring that Labor would be "mindful of implementing" the proposal.

"Alarm bells rang for me when he made that comment, and it seems inconsistent with their approach to pursue economic growth," Ms Wawn said. "[Under the proposal] any other agreements would not have access to



Anthony Albanese meets nurses on Wednesday. PHOTO: ALEX ELLINGHAUSEN

[enterprise bargaining agreement flexibility], which we say would be inconsistent with achieving any productivity outcomes given 90 per cent of employees are not union members."

Ms Wawn said employers and unions backed simplifying the bargaining system, but argued it had to be consistent for all in line with freedom of association.

Australian Mines and Metals Association chief executive Steve Knott said: "Creating a new fast-tracked union preference stream was a preposterous idea in breach of freedom of association principles and anti-discrimination law."

"It would only coerce employers and employees into involving unions in enterprise agreement negotiations where they otherwise would not have, to no discernible gain aside from increasing union membership and ALP donations."

Enterprise agreements, once a key driver of wage growth, have been declining for a decade and now cover

less than 15 per cent of all employees, the lowest rate in its 30-year history. However, union agreements still make up 70 per cent of all current agreements and cover 93 per cent of the 1.7 million employees on agreements.

Labor did not respond to requests to clarify Mr Albanese's comments.

ACTU president Michele O'Neil said "we are always open to discussing commonsense solutions which deliver better outcomes for working people and employers". "Working people need real pay rises and their share of productivity improvements," Ms O'Neil said. "We need a bargaining system to deliver those pay rises."

The BCA declined to comment.

However, at a roundtable hosted by *The Australian Financial Review* last week, BCA chief executive Jennifer Westacott highlighted the ACTU-BCA proposal as being in line with the Hawke-Keating intention for EBAs to replace the award system.