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Productive industries must not be straitjacketed by onerous centralism

Employment and Workplace Relations Minister Tony Burke's willingness to negotiate with the critically important mining and resources sector over the Albanese government's upcoming second tranche of IR changes offers a sliver of hope for a better outcome for the industry, its workers and the nation. In an exclusive report on Monday, Ewin Hannan reveals that a new test to prevent specialist mining and energy contractors being inadvertently caught up in the government's same job, same pay labour hire laws is being examined. What could potentially be a significant breakthrough follows meaningful negotiations between the government and resource sector employers.

After meeting a delegation of contractors led by the Australian Resources and Energy Employers Association, Mr Burke is considering introducing the test. Without it, AREEA deputy chief executive Tara Diamond believes, a range of specialist contracting services might be wrongly defined as labour hire and burdened by administrative complexities, regulatory red tape and increased costs. In an exclusive interview with The Australian, Mr Burke was also open to phasing in the contentious legislation over several months.

Tensions over the proposed changes escalated on Thursday, when miners and builders in the crosshairs of the same job, same pay reforms warned the government that its labour hire crackdown would smash flatlining productivity, trigger mass job losses, drive down wages and restrict access to contractors. Australian Industry Group chief executive Innes Willox said a "heavy-handed same job, same pay requirement could destroy many small businesses and the livelihoods of many business owners".

After losing out badly in September at the

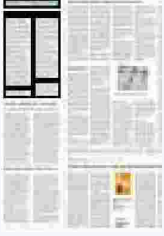
government's Jobs and Skills Summit, which lumbered industry with collective bargaining, employers and business owners began a concerted fightback against the second round of the government's

workplace relations changes a week ago. A broad alliance of business associations and industry groups launched "A Better Way, for Better Pay". The campaign, funded by the biggest war chest since the mining tax fight, is backed by the Minerals Council of Australia, Business Council of Australia, Australian Chamber of Commerce and Industry, Australian Petroleum Production & Exploration Association, Master Builders Australia, National Farmers Federation, the Council of Small Business Organisations Australia and the Recruitment, Consulting and Staffing Association. Battlelines have sharpened, with the ACTU backing the legislation strongly.

The issue is vital for the nation's future living standards and growth. Great flexibility in workplace relations is essential to kickstart productivity. Improving productivity is essential if wage rises are to be sustainable and not fuel inflationary pressures, adding to pressures on lending rates for homebuyers and businesses, and creating a wage-price spiral.

While Anthony Albanese and Mr Burke are determined to provide a better deal for casual and gig economy workers, sensible negotiation is the key to good government, especially in a sphere that is often as hard fought as workplace relations. That was the key to the start of IR reform in the Hawke-Keating era. And Mr Burke's willingness to at least look at AREEA's proposal is an important step in the right direction.

Mr Burke said the meeting with AREEA and its members had been "very constructive" and his department was



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working through some options on the basis of that conversation.

He is resisting calls by the Business Council to confine the proposed laws to the base rate of pay, rather than the full rate, warning the BCA proposal would risk entrenching the loophole the government wanted to close. But in the national interest the government must be open to negotiate, sector by sector.