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Shock over 'compulsory' union deal

Australian Financial Review, Australia

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Exclusive

David Marin-Guzman

Workplace correspondent

Electricians will have to pay \$785 to join the union or \$1500 to do a "training course" to unlock \$7000 in extra pay per year, under a deal employers slammed as compulsory unionism "by another name".

Builders and resources employers sounded the alarm over the unprecedented condition in the Electrical Trades Union NSW's latest pattern agreement.

The deal includes a "productivity allowance" of \$3.70 an hour – worth up to \$7000 in extra pay a year – to workers who undertake an "agreement interpretation" course every year.

However, only the ETU is delivering the course, which it gives out free to union members but charges non-members \$1500. The price is double the union membership fees of \$785 a year.

Industry insiders have said they have never seen anything like the condition and have labelled it "compulsory unionism by another name".

It follows a union push for the return of bargaining fees, outlawed by the Howard government, to address the "free rider" problem of non-members getting the benefits of union deals for

free while members pay the price. The Fair Work Commission has approved 12 agreements with the requirement in the past two months, including for contractors Fredon, Star Electrical and Stowe.

The deal specifies five training providers but when contacted, only the ETU offered the course.

Australian Resources and Employer Association chief Steve Knott wrote to CEOs last week to warn the condition could spread to other sectors. Master Builders Association NSW director Brian Seidler said the condition was "an outrage". ▶ **News p4**



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Bosses shocked by 'compulsory' union deal

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However, only the ETU is delivering the course, which it provides free to union members but charges non-members \$1500. The price is double union membership fees of \$785 a year.

Industry insiders said they have never seen anything like the condition.

It follows unions pushing earlier this year for the return of bargaining fees, outlawed by the Howard government, to address the "free rider" problem of non-members getting the benefits of union deals for free while members pay the price.

Australian Resources and Employer Association chief executive Steve Knott wrote to CEOs last week to warn the condition could spread to other sectors and would likely become more common in enterprise bargaining claims.

"Claims for 'enterprise agreement interpretation courses' and the associated pay discrepancies that would result for union members v non-union members, is clearly a strategy to encourage compulsory union membership.

"We will be watching the development of these types of claims in the resources and energy sector very closely."

So far, the Fair Work Commission has approved 12 agreements with the requirement in the past two months,

including for major electrical contractors such as Fredon, Star Electrical and Stowe. But the clause as written does

not specify how much the course is or that union and non-union members will be charged differently.

An ETU spokesman said that "it is entirely unexceptional for unions to offer courses to members that are complimentary to their union membership".

"The idea that this would be free to non-members is absurd," he said. "If AREEA did a basic fact check they would quickly learn that there are at least five training providers who can also provide this course."

The spokesman said that the ETU already had "very high" levels of pre-existing union membership across the companies in question.

The ETU agreement specifies five "agreed training providers" who can deliver the course, including the union.

However, on contact by *The Australian Financial Review*, none of the four organisations outside the ETU were offering the course.

Future Skills – a training organisation based in Queensland with no Sydney office – said it was "finalising" the course with the union but had no expected start date, although it mentioned it would cost \$1500.

Electro Group – an employer group and ETU owned company – said it may deliver the course next year and otherwise referred calls back to the union.

Energy Skills Australia – whose deputy chair is former ETU national secretary Peter Tighe – said it had "no idea" about the course and did not return requests for further information.

Employer group the National Electrical and Communications Association is only allowed to deliver the course with an ETU contract, which it said it had not been given.

NECA chief executive Oliver Judd said members had requested the association review the legality of the clause "as concerns grow around the effect this may have on the industry".

"As far as NECA are aware, other than the ETU, two training providers have been approved to deliver the course, but neither have any immediate plans to do so," he said.

"We've been advised that should NECA agree to terms that may be forthcoming from the union, we will have to pay the ETU a licence fee for each individual undertaking the course.

"At this stage, we are not aware of what that fee is likely to be, but we are aware that many employees are unhappy with the current arrangement and what appears to be thinly veiled compulsory unionism."

Productivity allowances are payable on major projects, including the NSW government's billion-dollar Metro rail project, and would be worth more than \$7000 a year for full-time workers.

According to the ETU deal, an agreement interpretation course boosts productivity because it helps create "mutuality of confidence between the parties".



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Electricians can pay \$1500 to do a course or join the union for \$785. PHOTO: BLOOMBERG