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IR bill carries economic risks

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The deal with the AREEA has boosted the government's position

The political chess game over the Albanese government's controversial industrial relations legislation, currently stalled in the Senate, could go either way. The government needs the vote of just one crossbencher to pass the bill. It will be looking to independent senator for the ACT David Pocock, whose support allowed Workplace Relations Minister Tony Burke to pass his first tranche of industrial relations changes that ushered in multi-employer bargaining a year ago. Mr Burke's deal with some resources sector employers through the Australian Resources and Energy Employer Association, revealed by Ewin Hannan, has strengthened Mr Burke's hand. But it also has highlighted the trenchant opposition of other sections of the resources sector and other industries to the controversial Same Job, Same Pay Bill.

In a statement on Wednesday, Gina Rinehart's Hancock Prospecting said that despite the AREEA deal, the bill was "still a cumbersome, multi-step process" to determine whether service contractors were in or out. The bill needed to be simplified and rewritten after consultation to be workable, the company said. The Minerals Council of Australia, AREEA's rival body, claimed it was a "soft target". The Council of Small Business Organisations Australia chief

executive, Luke Achterstraat, accused AREEA chief executive Steve Knott of striking a "sweetheart deal" with Labor. And Business Council of Australia chief Bran Black said the "secret deal" failed to address the bill's flaws. "Tinkering at the edges of 800 pages of complex legislation and supporting documents doesn't solve the issues and will only compound the complexity of a bill that will drive up costs for all Australians at a time they can least afford it," Mr Black said. "What is currently being discussed is only one small element in a major omnibus bill that significantly increases union powers, will cut pay and reduce work for casual workers, increase red tape and make Australia less competitive."

The last two points are vital to the interest of the economy in terms of attracting business investment and improving flatlining productivity, which is compounding the problem of inflation and therefore adding to upward pressure on interest rates. BHP has campaigned against the proposed changes for much of the year, arguing the bill would be a "productivity killer" and an economic drag on the nation. In determining the future of the legislation, crossbench senators must put the national interest and economic competitiveness ahead of political deals.