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Behind the secret IR deal that split mining sector & saw contractors exempt from 'same job, same pay' scheme

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## Behind the secret IR deal that split mining sector & saw contractors exempt from 'same job, same pay' scheme

DAN JERVIS-BARDY

New documents have pulled back the curtain on the backroom deal on Labor's contentious "same job, same pay" scheme that ignited a civil war in the mining sector.

The West Australian has obtained a tranche of letters and emails that reveal how the Australian Resources and Energy Employer Association worked behind the scenes with Workplace Relations Minister Tony Burke on an agreement to exempt service contractors.

The documents show AREEA was desperate to ensure the exemption was watertight to head off the prospect of unnamed "stakeholders" pulling apart the deal and making it look "silly".

The agreement caused a major rift in the industry, with the Minerals Council of Australia describing it as an attempt to "hoodwink the Parliament and the public" and warning it would still leave contractor businesses exposed to pay orders that could send them broke.

AREEA boss Steve Knott defended the deal when contacted by The West Australian, arguing the impact on WA's resources and energy sector would have been "enormous" had it not been struck.

The threat of contractors such as caterers and construction teams being captured under the "same job, same pay" scheme for labour hire emerged as the mining sector's biggest concern with the Federal Government's Closing Loopholes Bill. The sector feared the laws could bankrupt businesses, stalling the mining projects that relied on their specialist services.

AREEA led a delegation of members to meet with Mr Burke in early June to air their concerns and pitch the idea of using a "multi-factor" test to carve out genuine contractors.

In a post-meeting letter to Mr Burke on June 9, the group warned of dire consequences if contractor businesses were caught up.

"It is not an exaggeration to forecast that such an outcome could be devastating for contracting business ... employers providing highly paid work, training and upskilling opportunities for many thousands of Australians," the letter read.

In the following months, AREEA joined other leading employer groups in publicly denouncing the Bill and lobbying MPs and senators to oppose it

The West understands its position shifted after meetings with key Senate crossbenchers David Pocock and Jacqui Lambie left it in no doubt the "same job, same pay" provision would pass Parliament.

The group's focus turned to secretly brokering a deal with the Government, putting it at odds with the other business groups who remained staunchly opposed. The documents show AREEA emailed Mr Burke's office on November 14, setting out a list of "red line issues" that needed to be addressed before it could endorse the Bill.

Negotiations must have been well advanced because just one day later AREEA emailed the minister's office again with a draft media statement it planned to publish once the deal was agreed.

The deal was reached on

November 21. Mr Burke's office emailed AREEA to confirm the agreed changes to the Bill.

The news broke later that night with Mr Burke and Mr Knott heralding the deal as a major win.