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THE NATION

Resource group asks PM to revise workplace laws

EXCLUSIVE

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THE nation's peak resource employer group has urged Kevin Rudd to take immediate action to overhaul workplace laws to lift productivity or risk undermining $350 billion invested in Australia's resource sector.

The Australian Mines and Metals Association has warned the Prime Minister he cannot deliver his new national competitiveness agenda without workplace reform to improve flexibility and reduce the cost of doing business.

In a letter to Mr Rudd sent yesterday, AMMA chief executive Steve Knott said workplace reform must be a part of any plan to improve national productivity and competitiveness.

"Any 'productivity pact' or 'new competitiveness agenda' that fails to seriously engage with essential industrial relations reforms will clearly be deficient and incomplete; will fail to attract the support of industry; and will not deliver the productivity improvement Australia so urgently needs," Mr Knott says.

"Your speech to the Press Club called for a co-operative approach to workplace relations without any legislative reform.

"This is not possible. The day-to-day operation of the Fair Work system ensures productivity improvements are forced off the agenda of too many Australian workplaces."

During his address to the National Press Club last week, Mr Rudd outlined a seven-point "national competitiveness agenda", warning that failure on this front would result in Australia pricing itself out of international business.

But he defended the Fair Work laws as "about right" and suggested the current regime was not being used properly by business to "get the best productivity outcomes for a given firm or a given new project".

In his letter, Mr Knott said $350bn of resource projects available to Australia would come to market only if specific initiatives were taken immediately to lift productivity. While he welcomed Mr Rudd's acknowledgment that greenfield agreements needed to work better, Mr Knott said Labor was responsible for changing workplace laws giving unions monopoly power in agreement-making.

"If Prime Minister Rudd wants to have a talkfest on productivity yet ignore the deficiencies of the Fair Work Act and focus only on management, he is heading in precisely the wrong direction," Mr Knott told *The Australian*. "The global business community is looking very seriously at the uncommercial wage outcomes and project delays coming from Australia's greenfield agreement-making process."

Mr Rudd has set the goal of lifting annual productivity growth to 2 per cent or better and wants to improve relations between government, unions and business.

Labour productivity improved at an annual rate of 2.1 per cent in the 1990s before falling to 1.4 per cent in the past decade. It most recently recovered to 1.6 per cent.

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