

## Resource industry welcomes Shorten's IR review

On behalf of the Australian resource industry, AMMA Chief Executive Steve Knott has welcomed the details of the Federal Government's Fair Work Act review, saying it presents a 'great opportunity to ensure Australia has effective and productive workplace laws'.

Representing the majority of Australian resource employers, the AMMA boss highlighted the importance of the Workplace Relations & Employment portfolio and the significant role Minister Bill Shorten could play in improving some of the more problematic aspects of the IR laws.

"With a Coalition that appears to have no policy on industrial relations, we believe Minister Shorten's extensive understanding of workplaces and industry could potentially be the resource sector's best chance to address the more practical problems under the Fair Work laws," Mr Knott said.

"One of the resource industry's more immediate concerns is how the Fair Work laws continue to allow the current monopoly unions have in making agreements for new projects. This has resulted in excessive cost blow-outs and delays on major projects, with employers experiencing wage increases of 40 per cent in the last 12 months.

"With laundry hands and barge welders receiving annual salaries in excess of \$300,000, Minister Shorten is well placed to understand that such high wages are unsustainable and measures must be taken to address these problems and ensure the viability of significant new projects.

"The Fair Work review is timely given a large number of resource employers are yet to enter into bargaining under the new IR laws. Furthermore, one-third of employers surveyed in a recent AMMA/RMIT University research project confirmed they are experiencing a flow-on effect from recent wage outcomes in the oil and gas industry.

"The review panel should also consider how the demands for wages and conditions being met, due to a union monopoly on agreement making, are beginning to flow-on and impact other sectors."

A two-yearly review into the Fair Work Act was always scheduled to occur as part of the legislation, but Mr Knott said this is an opportunity for all stakeholders to put forward their concerns and seek improvements designed to achieved a more balanced and productive industrial framework.

"The record industrial dispute figures released by the ABS earlier this month verify what Australian employers have been experiencing for many months; that the industrial harmony of Australian workplaces is gradually being eroded," he said.

"The intention behind the Fair Work law was to keep strikes to a minimum and, with this clearly failing, the circumstances in which strike action can be legally taken must be reviewed and modified to ensure strike action is a last resort in any negotiation.

"AMMA and the industry has confidence in Minister Shorten's ability to oversee a fair and objective review of the IR legislation and we look forward to a consultative process as industry and government work together for a more prosperous economic future."

Since the commencement of the Fair Work laws, AMMA has conducted longitudinal research into the legislation's impact on the resource industry. The results of this vital industry research project will be released to Federal Government as part of the review process.

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