

FIVE URGENT REFORMS

REFORM 2: Focus enterprise bargaining

AMMA IS ADVOCATING FOR FIVE URGENT REFORMS TO RESTORE SOME BALANCE TO OUR WORKPLACE RELATIONS SYSTEM AND BETTER SUPPORT EMPLOYMENT, INVESTMENT AND GROWTH IN AUSTRALIA'S RESOURCE INDUSTRY.

Reform 1: Focus enterprise bargaining, and ensure legally protected strike action can only be taken over claims relating to the employment relationship, not union 'wish lists'.

Why does Australia's enterprise bargaining system need reform?

Bargaining between employers and unions for enterprise agreements in Australia isn't working.

Under the Fair Work Act, matters permitted to be included in an employment agreement were greatly expanded. These broader matters often have more to do with union business than employee interests and can restrict employers' ability to make critical and timely business decisions.

The result? A system creating barriers to productivity improvements and a constant threat of costly strike action hanging over employers for matters not related to the employment relationship.

A 2016 survey of more than 100 resource employers found:

83%
are concerned at unions seeking to strike before bargaining has been exhausted.

72% have 'moderate' or 'major' concerns at unions seeking terms unrelated to the employment relationship.

73% say union opposition to changing existing terms and conditions is a 'moderate' or 'major' concern.

87% are concerned that unions are seeking excessive increases in wages or conditions without any improvements in productivity.

just **7%**

or only 1 in 13, believe enterprise bargaining under the Fair Work Act meets their needs.



9 out of 10

employers who negotiate agreements for new projects 'greenfields' are concerned about delays and excessive costs arising from union demands.

How do we improve the enterprise bargaining system?

For a start...

1. Ensure that enterprise agreement bargaining focuses only on matters relating to the employment relationship.



2. Ensure strike action can only be taken over matters related to the employment relationship, and not 'union business'.



How will Australia benefit if we address the problem?

More agreements would be reached co-operatively without actual or threatened strikes that can damage businesses.



The result will be a more productive and competitive Australia.

Improving the enterprise bargaining system is one of the key workplace relations reforms that KPMG research found could collectively help create

36,000 jobs and add
\$30.9 billion to Australia's GDP