



Ditch awards system: Resources industry

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The resources industry is calling for the Turnbull government to scrap the country's unique award system that sets minimum pay and conditions for each industry and to replace it with a new national standard.

The Australian Mines and Metals Association, whose members include major minerals and hydrocarbon producers such as Chevron and Exxon Mobil, proposed the systemic reform on Monday as part of a push to counteract unions' mounting campaign for new bargaining and strike rights.

AMMA chief executive Steve Knott said the industrial relations debate had to be "future focused" and the historic industrial awards were "cumbersome, transactional and largely irrelevant".

"Australia's industrial award system should be abolished," he said. "There is no justification for Australia being the only country in the world with an award system, let alone 122 awards."

But the ACTU, whose reform proposals have been criticised as a return to the 1970s, has used AMMA's proposal to accuse employers of wanting to return to the 1870s.

Australia has maintained industry awards for more than 100 years in contrast to New Zealand, the only other country to have a similar system, which abolished its awards in 1991.

Mr Knott said awards, reviewed by the Fair Work Commission with input

from employer groups and unions, were an obstacle for international investment at a time when the resources sector, and most of Australia, were subject to greater competitive pressures.

"For the last decade, people in our sector have been on average incomes in excess of \$100,000, so the award rates of pay are pretty much irrelevant because we pay multiple times what's in the award," he said.

"But where it does play out is where you've got these major investment groups that want to invest in Australia asking what are the base rates you want to have in your workplace.

"You have to step them through the National Employment Standards, then there may be multiple awards that will apply to engineers, clerical staff and mining personnel and support staff, then you've got to venture into whether there are agreements in place that may have expired and may still apply."

Mr Knott said the complexity of the system allowed employers to be "dragged back into an IR-club combatant environment with an award that ends up going off into all sorts of amorphous areas".

In place of awards, AMMA proposes a single safety net of minimum pay and conditions based on the NES but also expanded to include some award conditions. Alternatives above the standard would include collective or individual agreements.

AMMA's push for workplace reform contrasts with other employer groups,

such as the Australian Industry Group, which stress more "modest" proposals.

ACTU secretary Sally McManus said abolishing awards would cut the pay and deny the rights of millions of workers, including those reliant on above-award pay.

"This proposal would take Australia back to the bad old days of the 1870s when working people had no rights," she said. "The 2.3 million working people on awards are already among the lowest paid with the least secure jobs. And everyone on an agreement or employment contract negotiates from a floor set by the award system."

She called the mining lobby "ideological warriors for trickle-down economics who want to boost their profits at the expense of working people".

Key points

AMMA chief Steve Knott says industrial relations debate must be "future focused".

The ACTU says abolishing awards would cut pay and deny rights of workers.



ACTU's Sally McManus says abolishing awards would be a return to the "bad old days of the 1870s". PHOTO: ALEX ELLINGHAUSEN