



Labor's wage bargaining plans a risk to exports

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Small retail businesses and the well-paid offshore oil and gas industry could be subject to industry bargaining rights being considered by Labor, employers warn.

The resources industry has raised concerns Labor's broad support this week for industry bargaining where enterprise bargaining "is failing" could merely exacerbate issues in the sector.

"Enabling industry-wide bargaining or multi-enterprise strike action would only erode the competitiveness and sustainability of Australia's world-leading resources sector," Australian Mines and Metals Association head of policy and public affairs Tom Reid said.

"Industry-wide bargaining and multi-enterprise strike action would only exacerbate instances where unions are intransigent during bargaining – it would not at all be helpful in resolving protracted negotiations."

At Labor's national conference, the party amended its platform to include broad support for multi-employer bargaining and expanded rights to strike.

Opposition employment spokesman Brendan O'Connor told the conference the party supported bargaining with multiple employers "where enterprise bargaining has failed or is failing".

Labor wants to restrict industry bargaining to low-paid sectors, such as childcare and cleaning, but is still facing pressure from the Australian Council of Trade Unions to expand it further.

Union sources said if the requirement shifted to where enterprise bargaining is failing, that would open industry bargaining to better-paid sectors as well.

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The description could apply to oil and gas giant Esso, which has been bargaining for more than four years with the Australian Workers Union and where arbitration has recently collapsed.

Similarly, vessel operators channeling supplies between the offshore oil and gas hubs were stuck bargaining with the Maritime Union of Australia for about three to four years.

While agreements were eventually reached, the situation could have been argued as one where enterprise bargaining "is failing" – despite cooks and cleaners in the sector earning \$160,000 a year.

"There have been times in our sector where some enterprise bargaining has been protracted," Mr Reid said.

But he said that this was "usually a result of unions making fairly ambitious claims seeking to take advantage of the higher end of commodity price or investment cycles".

However, not all employers are opposed to moves to expand industry bargaining, with retailers saying it may be good for small business.

Australian Retailers Association chief executive Russell Zimmerman said he was open to multi-employer bargaining for small business retailers because enterprise bargaining was simply too costly and resource-intensive for them.

"There's an opportunity to reduce costs when doing it with a group of organisations," he said.

"It's worth looking at. I would have to see the detail but I could see it working for a particular group of small businesses, particularly those aligned with a type of trade."

He said small business often missed out on the flexibilities and penalty rates trade-offs that come from enterprise agreements, which are largely restricted to the big retailers.

Business Council of Australia chief executive Jennifer Westacott said

Labor needed to provide details about its policy urgently.

"This is the sort of thing where business needs some certainty here. This is not something we just say, 'we'll sort this out in government'," she told the program *YourMoney* on Tuesday.

She said industry bargaining risked a big union setting the wages and conditions for all businesses, regardless of what market or profile they had.

"They might be in the broad industry, but they've got a different set of customers, a different set of problems," she said.

"Now what companies tell me is, apart from the fact this won't work, it would just put a lot of people out of business."

Labor leader Bill Shorten told the party conference he would define his industrial relations policy by "cooperation, consensus, working together, talking to each other" and has promised to host a meeting of employers and unions in the first week of government if elected.