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Fair for Who? Rhetoric -v- Reality of the Fair Work Act

With July 1 marking the second anniversary of the full introduction of the Federal Government's Fair Work Act [FW Act], the confidence of resource industry employers in the new IR system is in a state of continuous decline.

Steve Knott, Chief Executive of resource industry employer group AMMA, this week received the third report in an on-going longitudinal study being undertaken by RMIT University into the nation's workplace laws and their impact on a group of resource industry workplaces employing more than 100,000 of the nation's workers.

"What this independent research is telling us is the more employers engage with the provisions of the FW Act in managing their business, and the more entrenched the laws become, the more damage they are inflicting upon workplaces," Mr Knott said.

Mr Knott said the report found resource industry employers were also reporting a significant decline in productivity - shifting from over two-thirds of surveyed employers reporting acceptable productivity rates in April 2010 to just 56.7 per cent in the most recent survey.

Other survey findings confirmed:

- workplaces are spending more time and resources in meetings and negotiations under the Fair Work Act compared to the Workplace Relations Act for 72 per cent of respondents;
- 11.5 per cent of respondents reported delays in start-up projects due to the non-availability of a non-union greenfield agreement option since the Fair Work Act began;
- a further 34.6 per cent of companies saying it was 'too soon to tell' if projects would be delayed;
- 82.6 per cent of respondents have not been able to negotiate productivity improvements in exchange for wage increases under the Fair Work Act;
- 29.3 per cent of respondents have already experienced flow-on effects on to their enterprise as a result of recent wage and allowance outcomes in the offshore oil and gas industry;
- a further 41.4 per cent said it was 'too soon to tell' if there would be a flow-on effect to their enterprise;
- union demarcation issues have increased at 27.8 per cent of respondent enterprises; and
- 16.2 per cent of respondents have received adverse action claims from former employees since the Fair Work Act took effect, while 10.8 per cent have received claims from current employees.

Mr Knott also said such criticism of the nation's IR laws by resource industry employers follows similar productivity concerns being raised by other industry sectors in the last few weeks.

"More and more, rather than approaching the bargaining process as a means of discussing ways of achieving improved workplace productivity employers are finding union bargaining representatives raising issues designed to further the interests of the unions rather than the workers or the workplace," Mr Knott said.

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“Over 71 per cent of resource industry employers surveyed have recorded an increase in the number of union-specific clauses being demanded as part of the agreement making process.

“Half of survey respondents also recorded trade union officials demanding the inclusion of special trade union training levies.

“It is clear AMMA members are becoming increasingly frustrated with the Government's 'sit on their hands and do nothing approach'.

“There are serious flaws to the FW Act which are now being exposed, yet we have a union movement deliberately playing down their impact and a Government either too scared or too bogged down in other matters to act.”

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