



“The importance of workplace relations reform to Australia’s resource future.”

APPEA Conference 2015

Steve Knott, AMMA Chief Executive

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About AMMA

‘Australia’s resource industry employer group’

Members across:

- Mining
- Oil and Gas
- Resources Construction
- Maritime
- Transport
- Smelting
- Refining
- Services

Expertise in:

- Policy/lobbying
- Employee relations
- HR & training
- Skilled Migration
- Public Affairs
- Government Relations

“Since 1918... working to ensure Australia’s resource industry is an attractive and competitive place to invest, employ people and do business.”

Budget Repair & Workplace Relations Reform

ROLE OF FEDERAL BUDGET

- Put Australia on the road to fiscal repair
- Restore confidence in Australia as a competitive business destination
- Address government expenditure issues

ROLE OF WORKPLACE REFORM

- Encourage greater investment and exploration in new projects
- Create employment opportunities
- Foster workplace productivity and competitiveness

ROLE OF INDUSTRY LEADERSHIP

“People have this view that productivity is about working harder, but working smarter has got to come first... we have got to be as efficient as we can.”

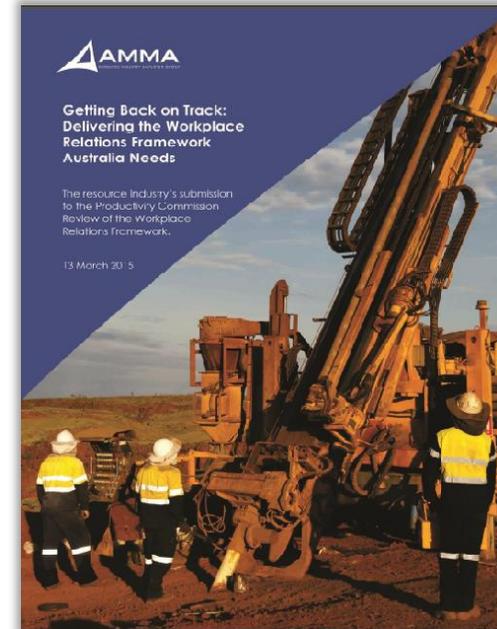
Graeme Hunt, Transfield Services CEO and AMMA President (2014)

Productivity Commission Review 2015

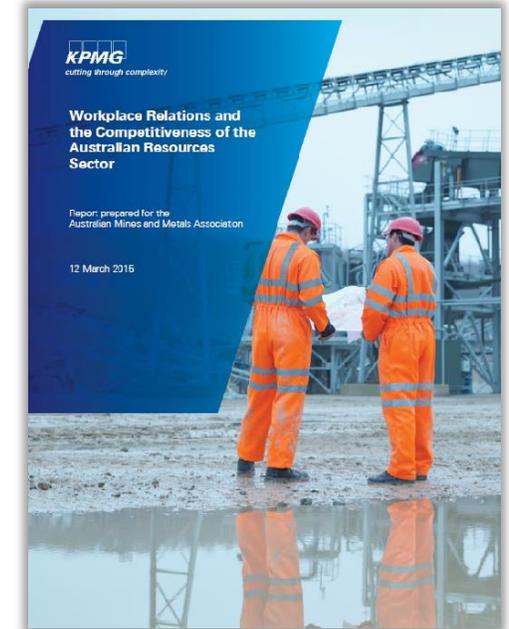
PC REVIEW TIMELINE:

Issues Papers released:	22 Jan 2015
Submissions filed:	13 Mar 2015
Draft report released:	July 2015
Further consultations:	From July 2015
Final Report tabled:	Nov 2015

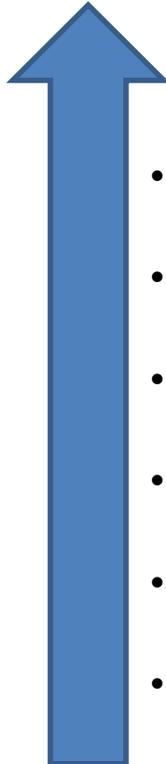
AMMA SUBMISSION



KPMG RESEARCH

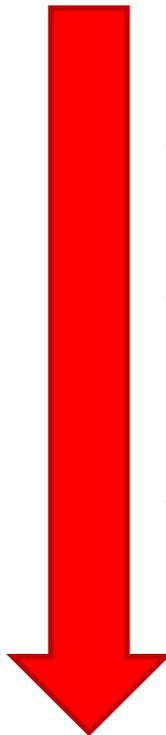


The Economic Case for Reform



CONTRIBUTION OF THE 'RESOURCES BOOM'

- 18% GDP from direct & indirect economic activity
- 10% direct and indirect national employment
- 24% corporate tax receipts in Australia
- 20% dividends paid by Australian companies to
- 13% increase in household disposable income
- 6% real wages increase nationally



AUSTRALIA'S COMPETITIVENESS

- Now ranks as of the most costly and least competitive places to employ
- Future investment and jobs at risk from fundamental problems in the workplace relations system
- Living standards at risk from a reduction in resources activity

KPMG Analysis Found...



- Resources production costs 50% higher than global average
- Mining productivity declined by 45% in past decade



- From 2001–2012 resource construction wages rose 2.5 x national average
- Wage in iron ore sector 21% higher than global average



- Exports expected to account for 67% of 2014/15 mining revenue
- High mineral rents compared to Canada, NZ and US



- Longer approval times for large projects than Canada, UK and NZ
- Environmental approvals can take up to 2 yrs to produce and 1.5 yrs to assess

Roadmap for Reform



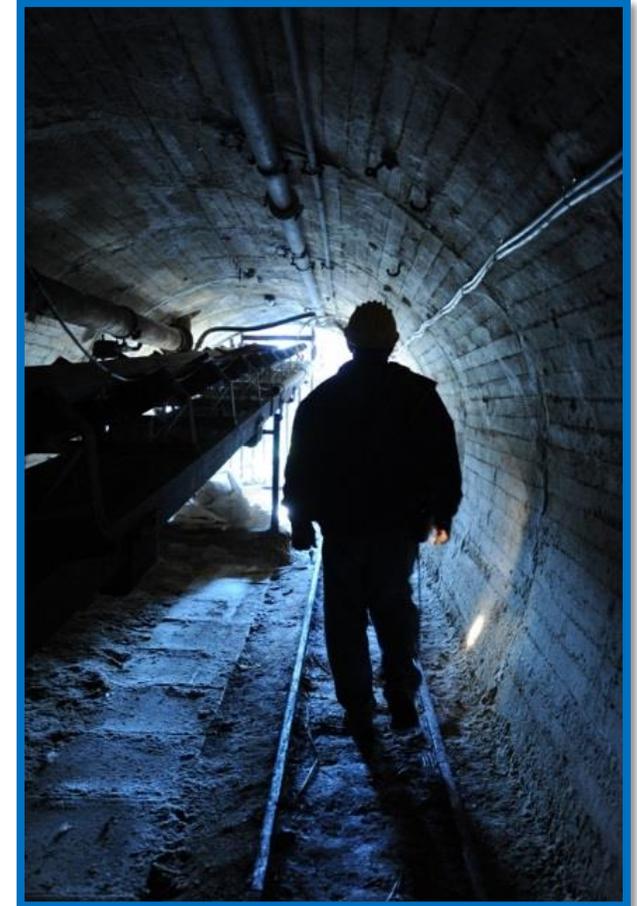
The Workplace Framework Should...



- Balance legitimate interests of employers & employee protections
- Be flexible & adaptable to different industry & workplace needs
- Recognise structural changes in workplaces (i.e. decline in union membership)
- Complement other policy objectives (i.e. training, skills)
- Recognise employee preferences for individual flexibility
- Support multiple work options (i.e. labour hire, casual)

Resource Industry's Reform Priorities

- Accessible, reliable and competitive agreement options for new & existing projects
- Agreement content restricted to employment matters
- Balanced rules for strike action
- Balanced & practical rules for unions entering workplaces
- Balanced safety net protections for employees



Employment Institutions

CURRENT ('FAIR WORK' BODIES)	PROPOSED ('EMPLOYMENT' BODIES)
<ul style="list-style-type: none">➤ Fair Work Commission➤ Fair Work Ombudsman	<ul style="list-style-type: none">➤ Australian Employment Conciliation and Arbitration Service (AECAS)➤ Australian Employment Tribunal (AET)➤ Australian Employment Appeals Tribunal (AEAT)➤ Australian Employment Safety Net Commission (AESNC)➤ Australian Employment Ombudsman (AEO)

What impact could AMMA's reforms have?

KPMG modelling shows:

- Resources productivity growth of 2% - 5%
- Increased resources investment of 5% - 8%
- Additional GDP of between \$11.7bn - \$30.9bn
- Between 11,500 - 36,000 new jobs
- Increased national household consumption of 1.8%
- Exports increased by 1.5%



Your chance to support real change

AMMA will remain at the forefront of advocacy for a more **supportive, competitive** and **productive** workplace system, in the interests of both employers and employees.

Fundamental workplace reform must be confronted for the resource industry to attract **billions of dollars** in new project investment and deliver **employment opportunities** and flow on **economic benefits**.

Get involved by visiting
www.amma.org.au/backontrack





Questions?