



Five workplace reforms key to jobs and wealth

■ Steve Knott



You'd be forgiven for thinking this week that workplace relations is all about penalty rates. While important, the narrow focus on penalty rates alone risks losing sight of the bigger problems within our employment laws that greatly impact our economic, social and community wellbeing.

With the Reserve Bank running out of firepower, and our economy facing serious global headwinds including sustained low commodity prices, Australia has a choice to either remain stuck in a rigid and dysfunctional workplace relations system or instead provide businesses with the flexibility to employ and keep Australians in work.

A recent Australian Mines and Metals Association survey of more than 100 leading Australian resources sector employers shows our employment laws are in need of an urgent overhaul, not band-aid solutions.

Only one in 20 employers believe our workplace relations system reflects the modern Australian economy and only one in 13 think enterprise bargaining is meeting the needs of employers and employees.

It is therefore unsurprising that 87 per cent of resources employers want reforms from the next Australian government to go beyond the limited changes recently recommended by the Productivity Commission.

With a clear imperative to deliver meaningful change, the next term of government must see an end to the

paralysis that has characterised our workplace relations system after the vast re-regulation under the Rudd-Gillard government.

Part of the problem is that Australia has abandoned the essentially bipartisan commitment under Keating and Howard to maximising the potential of enterprises to work collaboratively and productively with their workforce through direct employment and agreement making.

When 90 per cent of contemporary Australian employees are choosing not to join unions, it is clear we need to recalibrate our workplace relations system to fit this reality. Restoring the Australian Building and Construction Commission, and extending its coverage to offshore construction and suppliers, is an important place to start and has long been supported by the resources industry.

However, workplace reform cannot stop with restoring the ABCC. AMMA has repeatedly put forth an alternative vision for workplace relations in Australia. Our representations to the Productivity Commission's recent review of the Fair Work Act included KPMG modelling that showed that with limited range commonsense reforms, the resources industry could add up to \$30.9 billion to Australia's GDP and create up to 36,000 jobs.

Last week, I wrote to all members and senators to focus their attention on just five reforms over five years which would deliver real growth, increase productivity and create a more positive operating environment for business of

all sizes and across all industries.

First, we need to empower direct engagement between employers and employees through reintroducing individual statutory contracts, underpinned by a statutory safety net,



and allowing genuine non-union collective agreements.

Second, we need to urgently reform unfair dismissal and “general protections” laws to ensure employers are not forced to pay “go away money” to settle claims that are without merit.

Third, we need to ensure that strikes during bargaining can only be taken over matters related to employment relationship and not a union’s wider “wish list” of claims that centre on the union’s agenda.

Fourth, union powers to enter workplaces must again be made sensible and backed up by an enforceable code of conduct for officials provided the privilege of entering an employer’s premises.

And finally, we need to restructure the Fair Work Commission and create enduring modern institutions such as an Australian Employment Tribunal and a separate Employment Appeals Tribunal modelled on international best practice.

While only the first steps on longer-term “roadmap to reform”, such changes would start to address serious flaws and imbalances within the Fair Work Act and thus begin to re-energise business with the confidence to invest, employ and create economic value for Australia now and in the future.

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■ Steve Knott is chief executive of national resources industry employer group AMMA