



# Employers wants non-union options for major projects

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The resources industry wants uncapped terms for workplace agreements and pathways to non-union deals as part of a bid to strike-proof billions of dollars of infrastructure and resources projects.

The Minerals Council's submission on the Morrison government's proposed project-life agreements called for them to go beyond the construction phase and into production, while the Australian Mines and Metals Association urged alternatives to mandated union negotiations.

But the reform, one of several flagged in industrial relations, may not satisfy the high degree of consensus required by the government as unions "vehemently" opposed the change, despite Labor flagging the same reform at the last election.

Employer groups say extending agreements across the life of a project, and so avoiding the prospect of industrial action, is critical to investment certainty for up to \$41 billion worth of resources and energy projects likely to come online in the next four years.

"That multibillion-dollar capital investment projects can effectively be held to ransom midway through their construction, and be subject to significant

industrial disruption, cost blow-outs and delays, is a massive area of failure for Australia's approach to industrial relations under the Fair Work Act," AMMA's submission said.

However, the Australian Council of Trade Unions, backed by the construction union, argued project-life agreements are akin to special economic zones seen in China and India that deny workers' bargaining rights in order to attract foreign investment.

Greenfield agreements have a maximum life of four years and must be negotiated with unions given the workforce is yet to be employed.

But during the resources boom, several agreements expired mid-construction, including ones at Inpex's Ichthys LNG project and Chevron's \$34 billion-dollar Gorgon Gas project, triggering threats of industrial action and giving unions maximum leverage over employers.

Bill Shorten promised to consider project-life agreements during the federal election to bring certainty to both workers and investors but Labor has since soured on the idea.

While submissions were due on Friday, Industrial Relations Minister Christian Porter has already flagged the government will move ahead with the reforms.

Both AMMA and the Minerals Council

have called for no maximum agreement lengths. But while AMMA said they should be limited to the project construction phase, averaging seven years, the council said parties should be free to extend agreements until production is fully operational.

"In the minerals industry, project completion generally means that a certain production target has been achieved, so that the life of the project can extend into the operational phase," the council said.

The CFMEU says without maximum agreement lengths and with pathways to non-union deals, employers could essentially "bargain with themselves" and prevent workers from ever bargaining collectively.

"This would drive down wages and conditions directly, and also more broadly for subcontractors who come onto the project, due to the competitive pressure placed upon them to adopt similar, or less beneficial conditions," CFMEU national secretary Dave Noonan said.

The CFMEU and Minerals Council appear to be in agreement on a proposal to restore a 12-month non-union greenfields option that was scrapped under the Fair Work Act. For employers, 12-month non-union agreements would mean they do not start a project with restrictive legacy conditions.