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REFORM SET TO UNLOCK MINING FUTURE

West Australian, Perth

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STUART MCKINNON

The Morrison Government has put industrial relations on the campaign agenda by pledging to extend greenfields employment agreements for big mining and energy projects in a move backed by business groups.

Under the proposed changes, employment agreements for new projects worth more than \$500 million will be

extended from a maximum of four years to six years.

Prime Minister Scott Morrison made the commitment at a breakfast hosted by the WA Chamber of Minerals and Energy while campaigning in Perth on Tuesday in the lead-up to the May 21 Federal poll.

Employer groups, which have been demanding longer agreements for years, said the reforms to the Fair Work Act

would provide resources companies with greater cost and investment certainty when embarking on big projects.

They also called on the Opposition to back the Government's move.

WA Chamber of Commerce and Industry chief executive Chris Rodwell said six-year greenfields agreements would particularly benefit the



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resources-focused WA economy. He said the existing four-year maximum term for agreements weakened the State's appeal as a safe and certain destination for investment capital because terms and conditions for employment could not be established for the life of a major project.

The Minerals Council described the commitment as a sensible reform that would stimulate new investment and jobs across Australia. The Business Council of Australia said the longer agreements would not only give companies the certainty needed to

unlock investment but would also secure wages growth for workers.

BCA chief executive Jennifer Westacott, pictured, argued the longer agreements would leave workers better off and let businesses get on with driving the recovery. She said Australia was in a fierce global competition for investment, labour and skills so fixing problems in the workplace relations system made sense.

The Australian Chamber of Commerce and Industry said extending greenfields agreements would protect major projects from the risk of delay, disruption and cost blowouts resulting from uncertainty and unnecessary dispute. ACCI chief executive Andrew McKellar said because industrial action could be

taken after agreements expired, businesses faced significant uncertainty and onerous additional costs when they could least afford it.

"This reform gets the balance right. Workers will have the continued security of very highly paid arrangements for six years, and businesses with projects worth more than \$500m will have the assurance that workplace agreements will last the duration of the project," he said.

AMMA Australian Resources and Energy Group said it made no sense that the maximum term for major project greenfields agreements was four years, when the construction of large-scale resources and energy projects often exceeded that. "Even a small increase to six years would make a huge difference to the international investment community that determines which nations they will allocate billions of dollars of major project capital," AMMA chief executive Steve Knott said.

