

13 March 2015



Commissioner
Workplace Relations Inquiry
Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

Dear Sir / Madam

WORKPLACE RELATIONS FRAMEWORK

Thank you for the opportunity to comment on the Workplace Relations Framework Issues Papers.

The Association of Mining and Exploration Companies (AMEC) is the peak national industry body for hundreds of mining and mineral exploration companies throughout Australia.

AMEC has a direct interest in the Inquiry, primarily as members employ thousands of workers on a full time and part time basis throughout the nation. It is on this basis that AMEC makes the following high level comments pending release of the Commission's Draft Report in June / July 2015.

Introductory comments:

- For investment and business decision making processes the mining industry requires clarity and certainty in public policy settings, including the workplace relations framework.
- The mining sector employs around 230,000 workers throughout the nation in a wide mix of occupations and skill sets relating to exploration, construction and operational activities.
- The industry is comprised of different sized organisations, ranging from junior exploration companies with one employee; to producing miners employing thousands of employees and contractors.
- Direct employment costs represent a major business input cost to a high proportion of companies in the sector.
- For a number of business related, logistical and financial reasons companies have adopted a Fly-In, Fly-Out, and Drive-In, Drive-Out arrangement in a number of operations. This involves family friendly rosters recognising the remote location of many projects.
- The mining industry is also very cyclical, often experiencing peaks and troughs in its activities due to a number of issues including project funding, approval delays,

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fluctuating commodity prices and exchange rates, increasing global competitive forces, the quantity and quality of mineral deposits and the mine life cycle itself.

- The cyclical nature of the industry necessitates a mobile workforce and high degree of flexibility in the industrial relations framework.
- The industry continues to embrace technology, innovation and contemporary efficiency initiatives in order to reduce costs and increase growth and productivity.
- Due to the cyclical nature of the industry and workforce supply and demand factors, it is critical that the capacity to access temporary workers through the skilled migration program continues to exist.
- Over the last decade, in order to provide greater flexibility, there has been an increasing trend towards the use of third party contractors through the whole mine cycle.
- Changes in technology and innovation are likely to result in increased demand for skilled employees, on-the-job and structured vocational training and education.
- There are an increasing number of global jurisdictions with mineral resources also competing for intellectual property and skill sets.
- Australia must remain internationally competitive in all of its public policy settings, including the industrial relations framework

Ensure a fair and flexible industrial relations framework exists:

Based on these introductory comments and recognising the significant trends facing the industry, it is critically important that a fair and flexible industrial relations framework exists.

An industrial relations and workplace framework that provides clarity and equity is essential for industry growth and business decision making processes. Such a framework should include development of workplace plans and migration strategies that meet the needs of developing regions.

The availability of labour with appropriate skills, and the capability to learn new skills, particularly in regional and remote areas; and in indigenous communities is essential for industry growth and improved efficiency.

Industry requires clarity and certainty in regard to the industrial relations and workplace framework and associated initiatives that address labour shortages.

AMEC considers that a balanced, fair and flexible industrial relations framework would be improved by reviewing the:

- Capacity of employers to offer 'Individual Flexibility Agreements' as an alternative to a whole of company enterprise agreement,
- 'General Protections' and the provisions for 'adverse action claims' contained in the Fair Work Act,
- Legislation and processes surrounding 'permitted matters' allowed for inclusion in enterprise agreements, and applications for union related claims not agreed by employers,
- 'Right of entry' provisions contained in the Fair Work Act with a view to reintroducing appropriate limits on right of entry.

- Ability to negotiate whole of construction period (not 4 years) agreements as well as having the ability to have them determined if agreement cannot be reached, or have them registered and implemented.

AMEC has been supportive of the government's workforce planning strategies, including the enhanced Section 457 Visa program, skilled migration programs and vocational education and training programs.

As previously experienced, the demand for skilled workers can place extreme pressure on Australia's labour market capacity to meet that demand in a timely and cost effective manner. It is essential that the Government continues to acknowledge and support the significant benefits of the Section 457 skilled migration visa program.

AMEC looks forward to further consultation opportunities through the release of the Draft Report and subsequent public hearings in August / September 2015.

Yours sincerely

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Chief Executive Officer