



National Research
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Attorney-General's Department – Industrial Relations Consultation
Attracting major infrastructure, resources, and energy projects to increase employment
Project life greenfield agreements

**Response of the "Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union" known as the Australian Manufacturing Workers' Union
(AMWU)**

1 November 2019

1. The AMWU represents over 70,000 workers who create, make and maintain across major sectors in the Australian economy. The enforcement of our members' industrial entitlements is part of our core work. We are the bargaining representative for a significant number of enterprise agreements in the building and construction, mining and manufacturing industries, identified in the discussion paper as the key contributors to the Australian economy.
2. A review of Greenfield agreements cannot be conducted without also addressing the persistence and rise of agreements that establish enterprise agreements with a small number of nominal employees. These agreements knowns commonly as "baseline agreements", weaken industry standards and hollow out the enterprise agreement system.
3. Baseline agreements that the AMWU has contested include those that contained rates that were less than industry rates, "agreed" to small a group of employees which then went on to cover the employment of hundreds once the Agreement had been approved.
4. Legislative restraints prohibiting this method of "bargaining" must be made to the Fair Work Act to ensure that an enterprise agreement is the result of genuine bargaining, accurately representative of the employees it purports to cover.
5. The AMWU strongly rejects the proposal for "life of project" agreements. This will only encourage the making of agreements that lock in wages and conditions for an indeterminate time, well beyond the nominal expiry date of 4 years, and prevent the taking of industrial action to improve wages and conditions. We also note that there is no definition of what a "major project" is and what criteria, if any, there is for determining what a major project may be.
6. In the context of infrastructure, the AMWU is the bargaining representative for agreements that directly contradict the assertion of the discussion paper that major projects cannot be delivered with collective agreements and present a risk to investment due to higher labour costs or loss of productivity.
7. In NSW alone there are 14 different infrastructure sites in the CBD that have enterprise agreements that were not Greenfield agreements. In Newcastle, for example, there were a total of 60 agreements covering significant projects including the NCIG Coal Loader Flyover Project (\$180 million), the AGL/CBI Tomago Gas Storage Tank Project (\$300 million) and Maules Creek Construction Project (\$700 million) completed in 2015, on or under budget without any loss of time lost to industrial disputes. These projects, in their agreements, included monthly mass meetings to identify and resolve issues of discussion without disputation.
8. Any consideration of agreements in the mining, oil and gas industries must also consider the impact of these agreements on aboriginal native title holders and their communities. Benefits that flow from exploitation of these resources, should be factored into enterprise agreements that would allow for the growth of aboriginal employment and training opportunities.

9. The AMWU has reviewed, in draft form, the response prepared by the Australian Council of Trade Unions (ACTU) in relation to the paper prepared by the Attorney-General's department and expresses support of that submission.
10. Thank you for the opportunity to make a submission to this inquiry. We would welcome the opportunity to provide further evidence if it would assist with the review.