



02 November 2017

Mr Matthew O'Callaghan
Greenfields Agreements Review
Australian Government Department of Employment
Location Code S11WA18
GPO Box 9880
ADELAIDE SA 5001

sent via email: greenfieldsreview@employment.gov.au

Dear Mr O'Callaghan

The Business Council considers greenfields agreements to be a particularly important aspect of employment arrangements in the construction and resources sectors, given the considerable economic benefits of major projects and the adverse impact of delays and cost escalation.

The Business Council supports the comments and recommendations made by other industry associations in response to the review.

As the Background Paper rightly notes, the reduction in greenfields agreement applications corresponds with the peak and subsequent decline of Australia's unprecedented mining investment boom. Therefore the changing investment environment has been the overriding factor driving numbers of applications.

The Business Council strongly supports the retention of the 2015 amendments including the six month notified negotiation period for proposed single enterprise agreements where the agreement is a greenfields agreement and extending good faith bargaining rules to greenfields negotiations.

These provisions support more timely, constructive and meaningful negotiations, even where an application for approval under section 182(4) of the Fair Work Act is not made.

Despite this, there remain further opportunities to improve the operation of greenfields agreements. The Business Council supports the key findings and recommendations of the Productivity Commission's 2015 inquiry into the workplace relations framework in relation to greenfields agreements, including:

- Having a nominal expiry date that matches the life of the project (Recommendation 20.4)
- Adopting a three-month negotiation period (Recommendation 21.1)
- Using 'last offer' arbitration for Fair Work Commission determinations after the negotiating period (Recommendation 21.1)
- Offering a wider suite of options at the end of the negotiating period (Recommendation 21.1)
- Making a project proponent option available for large scale projects (Recommendation 21.2).

If you would like to discuss these issues further with the Business Council or its members, please don't hesitate to get in touch.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'J Ball', with a stylized flourish at the end.

Jarrod Ball

Executive Director Policy, Human Capital