

Provide your views to the Greenfields Agreements Working Group process

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Working Group/s to consider your submission:	Greenfields Agreements

The National Electrical and Communications Association (NECA) is the peak industry body for Australia's electrical and communications contracting industry, which employs some 170,000 workers and delivers an annual turnover in excess of \$23 billion. We represent the interests of over 5,500 contracting businesses and our members make an integral contribution to the Australian economy, encouraging investment, improving reliability and security across the energy system and delivering greater environmentally sustainable and affordable outcomes for the community. NECA has a number of concerns with the current industrial relations system relating to Greenfields Agreements and the impact that this system has on the economic viability and sustainability of electrical contracting businesses.

NECA would like to see greater scrutiny applied to Greenfields Agreements, particularly in circumstances where such agreements are being made where there is no genuine new enterprise. NECA recommends that the ABCC undertakes greater investigation of the circumstances where Greenfield Agreements are being made to determine their legitimacy.

By way of example, we draw the attention of the Working Group to the Queens Wharf development in Brisbane, on which every contractor onsite (including electrical contractors) has been required to sign Greenfields Agreements despite contractors using pre-existing workforces covered by existing Enterprise Agreements on the project. These Greenfields Agreements thus arguably have no force or effect, save for the fact unions may cause problems for any business that fails to comply with them. The additional costs and compliance obligations in this case are borne by contractors, and NECA does not believe this is appropriate.

By contrast, NECA does not object to the use of Greenfields Agreements on *bona fide* Greenfields developments. NECA would like to see an amendment made to the Fair Work Act requiring Greenfields Agreements to include a nominal expiry date that aligns with the length of the project at the time agreements are approved by the Fair Work Commission. Renegotiation of such agreements in the middle of a project typically impose additional wage costs on builders and subcontractors, and NECA is firmly of the view that it is reasonable for these operators to know upfront what their labour costs will be for the duration of any given project.

Further, NECA is concerned that Greenfields Agreements have the potential to be misused to entrench access rights for unions to the detriment of the covered entity to manage its business and/or adversely affect co-operation and productivity in its workplace. NECA objects to any clauses or agreements that "impose or purport to impose limits on the right of the code covered entity to manage its business or to improve productivity,¹" and this should be strongly regulated and monitored.

Finally, NECA is highly concerned that the enforcement of inflated Greenfields Agreements on projects that are clearly not Greenfields developments may constitute an abuse of process, as signing these agreements gives unions a basis for negotiating a further four years of Enterprise Agreement rates based on these inflated agreements. Once again, this is an unwarranted and unjustified impost on contracting businesses and NECA does not regard this as appropriate.

¹ Building Code Clause 11 (1)(a)