



# Interest-Based Bargaining

HOW TO GET IT RIGHT

## Interest-based bargaining: A better way to bargain

Enterprise bargaining in Australia typically involves a transactional process where a union issues an employer with a log of claims and the employer returns with its response, which is followed by adversarial, concessional bargaining until an end point is reached.

In many cases, this transactional process creates collateral damage and a deterioration in relationships which can take years to overcome.

However, unlike most business transactions where the value is in the transaction, in the workplace the real value is derived from the quality of the ongoing relationship, and the shared commitment to success of the enterprise through an understanding of shared interests and the mutual value of co-operation.

Interest-based bargaining represents a fundamentally different approach. It constructs an enterprise agreement around the business plan and the organisation's values, rather than simply responding to a log of claims. Interest-based bargaining focusses on the solution, not the problem.

Interest-based bargaining ensures that:

- Relationships are strengthened not damaged;
- Employee engagement is improved, providing a platform for willingness to give discretionary effort;
- Issues that are not 'EA issues' but which inhibit productivity and efficiency are identified and resolved;
- Corporate sustainability is enhanced through the collaborative process and the value proposition emerging.

## What it involves

Interest-based bargaining is a shared journey in exploring the art of the possible, with the objective of enterprise excellence through co-operative productivity-focused outcomes to suit the business.

Although the process can be tailored to suit specific clients, at its core the interest-based bargaining process involves:

- the identification of organisational needs, which are aligned to the business plan;
- education and training on IBB principles and practices;
- development of a communications plan;
- use of Subject Matter Experts;
- facilitated negotiations; and
- 'conversation hosts'.

## Our offering

With a team of experts led by Dr Rod Harrison, former Deputy President of the NSW IRC and FWC, we are uniquely placed to provide clients with an unrivalled capability in this space.

Widely recognised as the founder of the "Hunter Model" of collaborative industrial relations, Rod Harrison is the authority when it comes to interest-based bargaining. Throughout his distinguished 28 year career as a tribunal member, Rod's use of Interest Based Processes in the Hunter region saw:

- more than \$15 billion in coal chain infrastructure and other works completed ahead of schedule, and under budget, with no lost time due to industrial disputes and an exemplary safety record;
- significant productivity gains in the power Industry, including a reduction in industrial disputation;
- transformation of a local Council to an 'Employer of Choice'; and
- Innovative solutions to difficult issues.

So much so, the "Hunter Model" has been taken up by the FWC as the foundation of its "New Directions" initiative.

## Recent success

Interest Based processes have been used with great success in recent times across a range of industries both in the private sector and public sector, including in:

- Construction;
- Local Government,
- Electricity; and
- Banking and Finance.

Organisations who have adopted interest-based bargaining have also received broader recognition in national and industry awards, including accolades such as:

- Project of the Year;
- WorkCover NSW Leadership in Safety Award; and
- Leadership and Management Excellence and Employer of Choice.

## About ABLA

Australian Business Lawyers & Advisors (**ABLA**) is an incorporated legal practice owned by Business NSW (formerly NSW Business Chamber).

Our workplace relations practice provides a full suite of legal services, training, publications and seminars as well as wider employee relations and leading industrial relations capabilities.

Our workplace relations practice has a proven track record of excellent service delivery and the highest levels of expertise.

We are a unique firm in the Australian legal landscape, in that our workplace practice oversees all of the Business NSW's industry-level industrial relations activity from a strategic level and we act for and represent their federally registered organisation under the Fair Work Act. We appear for over 70 industries across Australia before the Fair Work Commission. No other firm can boast this impressive brief or record in workplace relations.

Contact one of our expert team at ABLA for a detailed discussion on how we can assist your business apply interest based processes to benefit the entire organisation.

A better way to Bargain within the framework of the Fair Work Act, tailored to your project and budget with a range of pricing options and models.

## ABLA's bargaining team



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