What is interest-based bargaining?

Interest-based bargaining (IBB) is a bargaining model that focuses on the interests of parties. IBB aims to maximise benefits of shared interests and manage conflicting interests effectively. The model differs from traditional bargaining – which is adversarial in nature. Traditional bargaining focuses on competing demands and parties only compromise where necessary to reach an agreement.

Using IBB, parties can work through their interests together instead of simply making demands. The parties must be open, share information and solve problems jointly.

Why interest-based bargaining?

IBB can result in better quality agreements. This is because all parties’ needs and concerns are explored and problems are solved jointly.

Making good agreements that work for everyone is challenging. Parties need to work together rather than fight one another. IBB can build trust and mutual respect and help develop great workplaces.

How does interest-based bargaining work?

First, the parties work out their own interests. This includes employees, bargaining representatives, managers and board members. Remember that interests are goals and needs, not claims.

Then, the parties meet and share their interests. All parties need to understand one another’s needs so they can solve problems rationally. It is important to spend time exploring needs and all potential solutions before jumping to one solution. Parties should always bear in mind how an agreement will operate practically.

It is usually best to start with shared interests. These could include topics such as well-being, work-life balance, training and productivity. This can help to build trust and confidence in the process before taking on conflicting interests. Conflicting interests often include money matters like pay rates.

Sometimes pressure and power can be used to close a deal when interests aren’t shared. But the focus is generally on solving problems together.

It can be helpful to have an independent person to keep everyone on track during negotiations. But ideally parties should aim to collaborate to solve problems themselves.

Do you want to try interest-based bargaining?

See if other people at work are open to it, then:

- Find out more on our New Approaches webpage.
- Read our companion guide, A guide to interest-based bargaining.
- Gather support from the people you will represent at work.
- Arrange training for everyone who will be part of IBB at your workplace.
- Develop a timetable for bargaining (aim for a short, concentrated process if possible).
- Think about resources. Time and venues cost money, so make sure you set a realistic budget.

How can the Commission help?

The Commission can assist with its training and facilitation services, customised to the needs of each set of parties. For further information email newapproaches@fwc.gov.au.

Apply for our help by lodging a Form F79.