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# Sustaining a Collaborative Model

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## A case study of Opal Fibre Packaging and the AMWU (Print Division)

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Version 1.0



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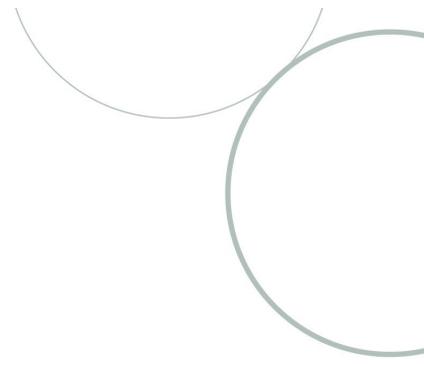
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# Opal Fibre Packaging and the AMWU: Sustaining a Collaborative Model

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This case study revisits Opal Fibre Packaging and the AMWU's collaborative partnership which was examined in an earlier case study published in 2015. This paper explores the key factors, experiences and processes that have allowed the parties to sustain their collaborative relationship, and identifies the barriers that threaten the longevity of the collaborative partnership.

## 1. Introduction

Opal Fibre Packaging is a large manufacturing company that 'supplies a wide range of innovative corrugated packaging solutions to a broad range of market segments that includes FMCG, fruit and produce, protein, dairy, dry goods, wine, beverage and industrial manufacturers' in Australia and New Zealand (Opal, 2021).

Opal Fibre Packaging was created in May 2020 when the Japanese multinational company, Nippon Paper Industries, purchased and then renamed the entity formerly known as Orora Fibre Packaging. Opal thereby became a private, wholly-owned subsidiary of the larger corporation, encompassing almost all the operations of the previous Orora.

Recently too, the Australian Manufacturing Workers' Union reorganised. Where most of the manufacturing workers in sites across Australia were represented by the AMWU (Print Division), in 2020, the Division became the Print and Packaging Membership Area.



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In its previous incarnation as Orora Fibre Packaging, the company was one of the early ‘success stories’ of the Fair Work Commission’s (FWC) Cooperative Workplaces Program (formerly known as the New Approaches program), having established in 2013-2014 a collaborative partnership between management and the Australian Manufacturing Workers Union (Print Division). Indeed, this earlier collaboration was credited with rescuing the company from potential closure and returning it to profitability.<sup>1</sup>

These earlier developments will be mentioned below when they are relevant, but this case study instead concentrates on the sustainability of collaboration between 2015 and 2021. This period encompasses both company names – Orora and Opal. Hereafter, where the reference in the case study is specific to a time that predates the Opal name, we refer to Orora. Where the reference is to a time that covers both, we will refer to Orora/Opal; and where the time is only subsequent to the purchase, the organisation will be referred to as Opal. The union will be referred to as AMWU (Print Division) throughout.

This case study is based on original research. Between July 2020 and May 2021, eleven semi-structured interviews were conducted with 9 people who were personally involved in the collaboration (4 managers, 2 union officials, 2 tribunal members and one consultant). The case study also draws on a range of documents, including current and historical internal documents from management and unions, FWC decisions and enterprise agreements.

## 2. Key features of the parties to collaboration

Despite the change of company ownership resulting in the creation of Opal Fibre Packaging in May 2020, the parties to collaboration remained remarkably stable over subsequent years. The key features of the parties include:

- **Company structure and management hierarchies:**

The company remained focused on the manufacturing of corrugated fibre packaging at nine sites

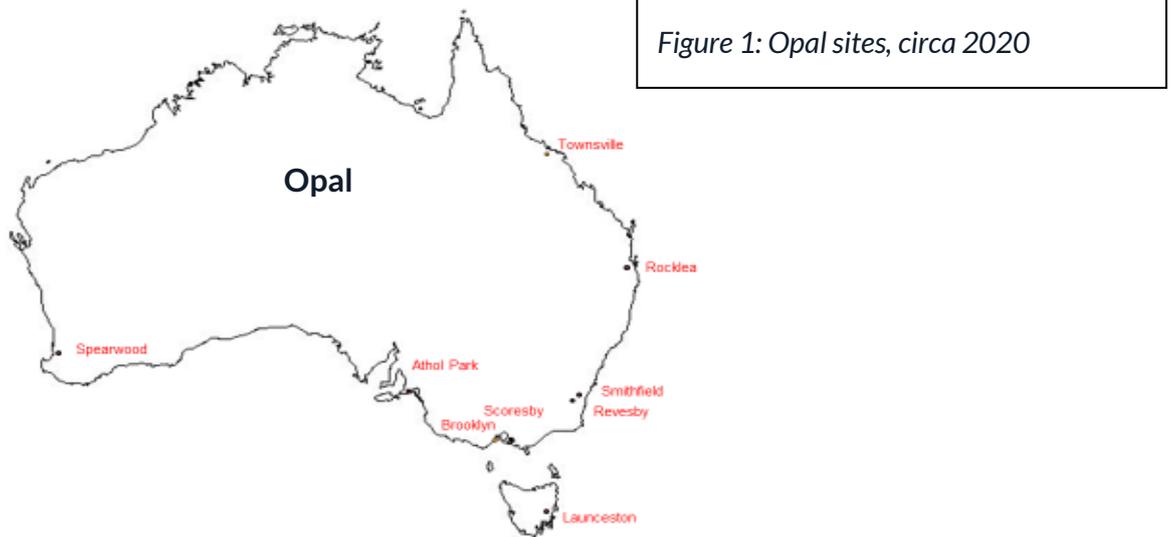
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<sup>1</sup> These earlier events are recounted in a video produced for the Fair Work Commission’s 2014-2015 Annual Report (FWC 2015), a case study commissioned and published by the Fair Work Commission (Macneil & Bray 2015) and a book chapter (Bray, Macneil & Stewart 2017, Chapter 12). A video recording about more recent events at Orora/Opal was part of the Fair Work Commission’s ‘Cooperative Workplaces’ Symposium in November 2020 (FWC 2020).



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across Australia that had previously been operated by Orora (see Figure 1). Figure 1: OPAL SITES, CIRCA 2020



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This meant that senior managers of the group were based at head office in Melbourne, while site managers operated at each of the geographically-separated locations. To some degree, the story of collaboration evolved in different ways at the national and site level and across the different sites. There were also some important changes in the individuals occupying specific roles within the management hierarchy, which are discussed below.

- **Nature of workforce:**

The manufacturing workforce overwhelmingly comprised older men. Labour turnover among the workforce was low and many workers had long tenure with the company. Several interviewees argued that this affected the interests and attitudes of workers, sometimes dividing them into two categories: older workers who were more interested in potential redundancies and the payments associated with their departures; and younger workers with a deeper interest in the future prosperity of the organisation. Turnover amongst managers was



higher, especially at the important level of site managers. Both were considered key issues affecting the sustainability of collaboration.

- **Union representation:**

Membership of the AMWU (Print Division) amongst the workers was high and workplace organisation quite strong, meaning that the union could not easily be ignored by management. Union officials – especially at national level – were strong supporters of the collaborative approach and these key leaders remained active over subsequent years. Union delegates at site level were also central to the collaboration, although the support of some delegates and their specific roles varied over time and across sites.

- **Role of third parties:**

Third parties played important roles in collaboration at Orora/Opal, although their involvement varied over time and across different sites. On the one hand, the FWC supported collaboration from the beginning, although it played a more ‘hands-off’ role in the earlier years than in some other Cooperative Workplaces cases, ‘advising in the background and only intervening when required’.<sup>2</sup> After 2015, the FWC continued in this vein until 2019. Thereafter, the FWC was called in to provide more intensive support through the further training and the facilitation of some disagreements that arose. Both Commission members who were involved in the initial transformation retired late in the period and new members were allocated to the Orora/Opal file in 2020-2021. In addition to the FWC, private consultants were also involved. In particular, a private consultancy called Co-Solve provided a range of training and facilitation services at both national and at some sites.

### 3. The progress of collaboration, 2015-2021

During the early period (ie 2012-2014), as collaboration developed, the parties at Orora worked through consultative mechanisms at both national and site levels: a national Steering Group allowed the senior leaders on both management and union sides to motivate collaboration and provide coordination; while the Site Change Teams drove the specific changes in workplace relationships,

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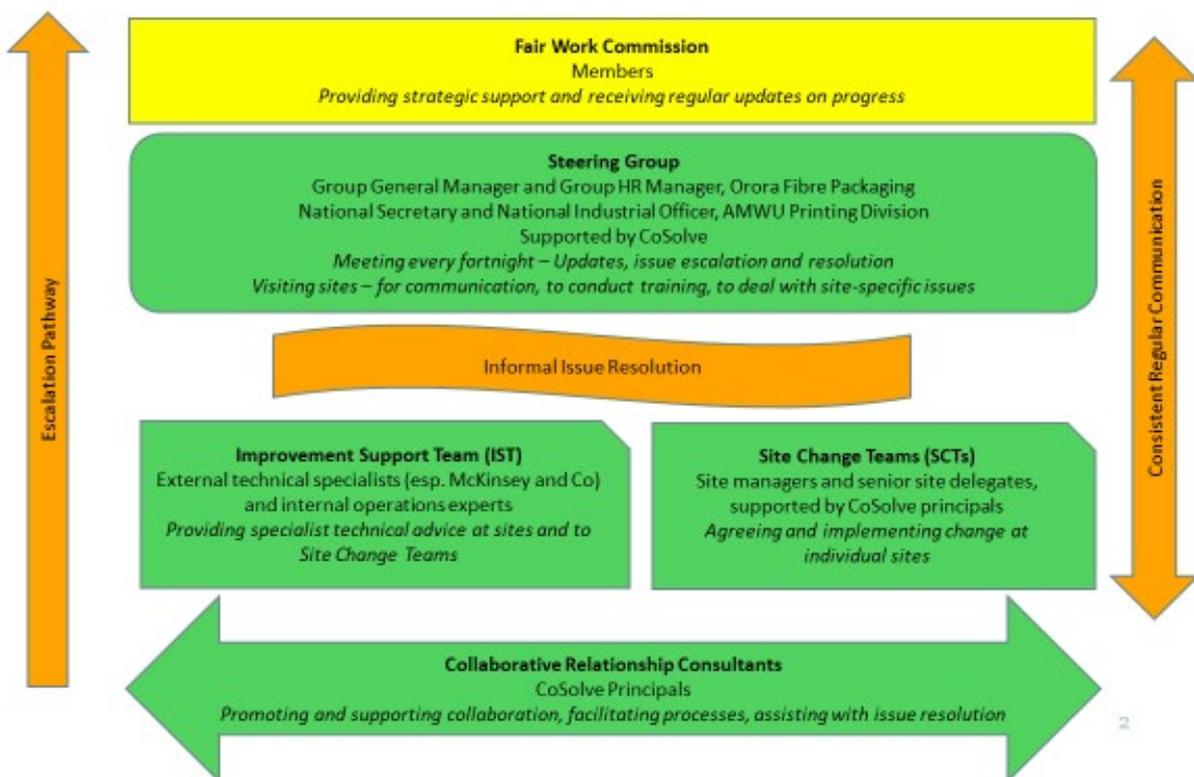
<sup>2</sup> See Bray et al. (2017), p. 222.



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technologies and work practices at each location, advised by Improvement Support Teams (see Figure 2).

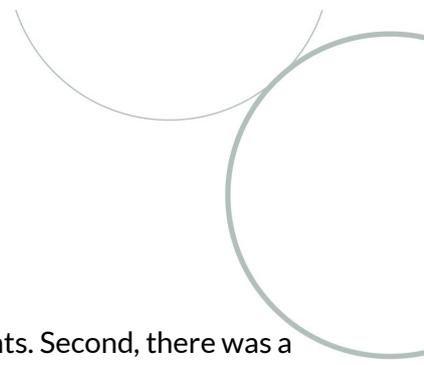
Figure 2: Collaborative structures at Orora/Opal



This dual decision-making structure continued after 2015, providing valuable mechanisms by which management worked cooperatively with workers and their union to plan and deliver many important workplace changes. In April 2018, a report by CoSolve on the progress of these consultative mechanisms (and the collaborative arrangements in general) explored multiple data sources and concluded that collaboration contributed to significantly better workplace relationships and employee experiences than had been evident in the pre-2013 years, but it also argued two main points. First, business performance had not yet improved as much as might be expected, beyond that which had initially avoided closure. In particular, in the areas of productivity, service, quality and waste, the



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collaborative approach had helped but not (yet) generated decisive improvements. Second, there was a need to re-think some aspects of the collaborative model and develop it further.

The parties subsequently re-visited their commitment to collaboration. Key initiatives included a round of training provided by the FWC and an up-dating of an earlier 'Memorandum of Understanding', initially adopted by the parties in May 2013, in a formal '2020 Statement on Collaboration in the Workplace' in April 2020.

By 2020, the success of the consultative structures was considerable, although it varied over time and across the levels. As one manager summarised, the collaboration at the national level continued, as it did at many sites, but collaboration at some sites struggled:

"I'd say [the success of collaboration] is different depending which part of the business you are looking at. I'd say at the more senior levels the relationship is obviously a lot better. There's a bit more trust and open conversations at the steering committee level. From a site perspective, it varies from site to site. So, in some sites I would say it's working quite well and that would be because I think the relationships have developed over time and the trust is really there and there's more of a team vibe. Where some of our other sites, which tend to be the more challenging ones anyway, it's not where it needs to be and in one location, particular things have really gone backwards lately. I think part of it's the relationships."

### 3.1 The national level

The relationships between Orora/Opal managers and AMWU officials were considered most collaborative at the national level, where three of the four key individuals on the original Steering Committee continued in their roles until 2020: the two senior union officials from the AMWU (Print Division) and the company's senior HR specialist. Only the original CEO of (the then-named) Orora changed and his replacement maintained support for the cooperative relationship.

Consistent with this observation, according to one union official, an important part of collaboration at Orora/Opal has been "... the ability to have conversations at the executive level of an organisation that can roll through to the site level, as opposed to us responding to things being implemented at a site level". These conversations at national level were both formal within the meetings of the Steering Committee and informal between individual Committee members outside the formal structures. They



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not only allowed the coordination of company-wide initiatives but also allowed national leaders to anticipate potential problems and intervene when disagreements or disputes emerged.

An example of national-level collaboration that was front-of-mind for both managers and union officials in 2021 was the successful operation during the COVID crisis of 2020 of the National Health and Safety Committee. Meeting regularly, sometimes weekly, one manager argued that this committee ensured “we kept our plans running whilst maintaining/protecting the health and the safety of our employees”. “Doing this on a national footprint”, he continued, “assisted us greatly”.

After the ownership change in May 2020, however, the two management representatives on the national Steering Committee changed, with a new Opal CEO and a new senior HR manager. This required the development of new ‘trust relationships’ between these senior individuals. Support for collaboration continued and it was still considered a success; the new CEO, for example, stated: “I want it to continue because I truly believe in it”. However, by 2021 senior managers saw reason for concern about at least two aspects of the national level arrangements:

- **Excessive referencing of local disputes to the national level:**

Too often, they argued, issues – like the disciplining of individual workers – that should have been resolved at site level were passed on to the Steering Committee. Amongst other things, this meant that “delegates at the localised level, with the localised management, don’t own the process and every time they can’t come to a shared position, every decision just goes up.”

- **Unclear/unsatisfactory definition of the issues subject to joint decision-making:**

This resulted, they asserted, in too many union representatives insisting on involvement – and sometimes the exercise of a veto – on issues that should be reserved for management alone. For example:

“In management, you can’t always say ‘Yes’ and you have to have the opportunity to make business decisions. There are many in the union that believe we should get their input into every business decision we make. That’s not possible or practical. When there is a decision that impacts union members’ roles or skill sets, yes, we should, without a doubt. But if it’s



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actually a business decision about absolutely nothing to do with the rank and file, it makes no sense in the world why.”

Examples of these ‘business decisions’ that were provided included the construction of a lunch-room on one site, the colour that buildings should be painted, and the sourcing and pricing of the paper used in the production process.

### 3.2 The site level

At site level, Site Change Committees continued to meet and to address key issues at each site, but the effectiveness of collaboration varied. As a union official observed:

“... if you look at the big picture, we have set up some good and positive processes that are still working. But when you get to the site level, that’s where the frustration [of managers] comes from.”

A manager made a similar point:

“[The collaboration] works and it could be fantastic in some of our sites, and it has been, but it’s keeping it sustained. And then there’s sites where there’s just the entrenched culture/relationship issues.”

On the successes, one manager provided the example of a bullying problem being resolved at one of the smaller regional sites during 2019-2020. The workers and their union representatives recognised it as a significant issue and worked with management, with facilitation by the FWC, to develop a Code of Conduct. All then signed off on it and workers subsequently became involved in its effective implementation. The outcome was “a total shift of what was happening”. The manager summarised:

“[It] was very much led by the employees, with facilitation, but it wasn’t management coming in and going “Right, well, we’ve got this problem and this is what we’re doing”. It was everyone involved, contributing and adding to what the site would do and we’ve basically got complete buy-in from everybody because they were all involved in what had occurred.”

Another example of success came at a metropolitan site in early 2020, where a new site manager pushed for changes to the consultation processes and employee representation. Delegates, who were motivated by unfavourable comparisons they saw with other sites at a national site meeting, worked



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with him despite their initial misgivings about his proposals. Their subsequent focus on three main projects produced collaborative success that was, apparently, impressive. A senior union official, for example, observed:

“Honestly, the turnaround was quite amazing. One of the reasons I believe is that you had a site manager there, and a production manager, that was willing to put in the time and the hours and to stop machines to make sure the right people were at the meetings and paid the overtime if it was necessary to keep them on the job. So, they weren’t bickering over the little things, and they had a big picture focus. They all jumped onboard because the delegates could see he was serious about what he was doing. I was amazed. I’m still amazed. I’m so impressed.”

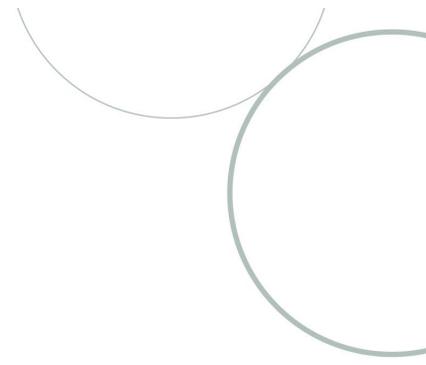
Collaboration at some other sites, however, was considered less effective. Indeed, one major site remained a serious disappointment to managers and union officials, despite intensive interventions from the FWC. As one manager characterised it:

“We invest a lot of time and money and resources. They have all sorts of other external assistance that all the other sites haven’t had. We just cannot move the dial on performance.”

Examples of the problems at this site, according to several managers, included workforce resistance to workplace change, a refusal to explore excessive absenteeism and use of overtime, and unreasonable worker expectations about income support when injured outside of work. Union officials acknowledged the limits to collaboration at this site, although they tended to identify excessive turnover of managers as the principal cause.



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## 4. Sustaining Collaboration

The experiences of collaboration between Orora/Opal managers and their workers, represented by the AMWU, provide insights into how cooperation – through collaboration between management and unions – can be sustained. It means overcoming barriers to cooperation that are evident throughout Australian industrial relations.

The most general challenge comes from the various pressures to be adversarial, which can be described as an “institutional tide” in Australian industrial relations. This had a number of specific manifestations at the organisation which represent barriers to sustaining collaboration: new parties (managers, union delegates and officials, and tribunal members) who replace seasoned players bring adversarial attitudes and behaviours from ‘outside’; long-serving parties (again, managers, union delegates and officials) who fall back on adversarial ways; pressures from ‘outside’ forces (like more senior managers or external union officials) unfamiliar with or antagonistic towards collaboration; and the failure to achieve improved outcomes, which leads the parties to doubt the value of cooperation and push them to revert to familiar adversarial ways.

In general terms, interviewees argued that overcoming these barriers and sustaining collaboration required the entrenchment of “processes” or “systems” within the organisation, so that the “new” way of working did not depend on the appropriate behaviours of individuals. A union official said: “... it’s about setting up processes and it shouldn’t be about people”. The processes designed to achieve this institutionalisation of cooperation at Opal included recruitment systems, training, consultation and joint decision-making structures.

### 4.1 The need to overcome the “institutional tide” of adversarialism

It is recognised elsewhere that adversarialism constitutes a strong “institutional tide” in Australian industrial relations and that parties wishing to achieve the many benefits of greater cooperation must “swim” against this tide.<sup>3</sup> This is the single most important “barrier” that needs to be overcome in sustaining collaboration – the tide is relentless and its effects are pervasive.

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<sup>3</sup> Bray, Macneil & Stewart (2017), especially Chapter 3.



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The interviewees involved in the Opal/AMWU case acknowledged that continued success in their collaborative venture was highly desirable, but they were also very aware of the challenge posed by the adversarial tide. One manager, for example, praised collaboration, but argued that it did not completely achieve its potential:

“... don’t get me wrong, it’s far better than agitated old IR platforms, but we’re not maximising it... and we all go back to old behaviour versus actually sticking with what collaboration means.”

Expanding on the latter point, he went on to say:

“Yes, I want it [ie. collaboration] to continue because I truly believe in it. [But] I’m not convinced all the parties, both in management and in the union, understand what it really is meant to be. And all of those different parties, when they’re allowed to, gravitate back to traditional union-management behaviour, that is ‘us’ and ‘them’.”

When another manager was asked why collaboration was so difficult, he pointed to the broader industrial relations context:

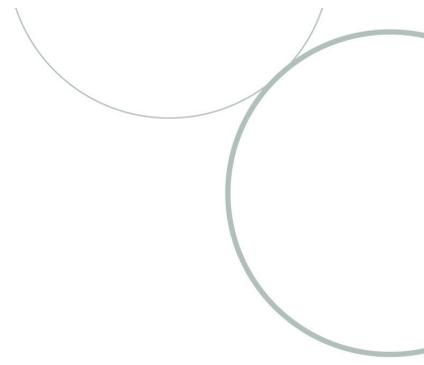
“The industrial relations framework in Australia doesn’t recognise, reward or in any way proactively support something different. Now, through [Cooperative Workplaces], yes, the [Fair Work] Commission is looking at its role other than a pure black and white regulator, but I’m not sure there’s a greater belief in... working differently... Therefore, at the end of the day, that’s the underlying industrial/legal environment that we work in.”

In reflecting on the re-emergence of adversarialism at one site, one union official made a similar point. She conceded that even a great supporter of collaboration – as she was – could be dragged back by the adversarial tide:

“[It] just shows how quickly and easy it is to fall back into old habits. And I did it as well. I jumped into my adversarial role ... and it shocked me. Luckily, I was self-aware and thought, ‘Well, that’s inappropriate. Let’s jump out of that phase.’ But it really did surprise me of how quickly things can erode.”



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## 4.2 The appointment of new managers

Inevitably, some of the individuals involved in the establishment of collaborative arrangements leave and new individuals enter. This is a well-known challenge to sustaining collaborative relationships because new entrants bring into the enterprise adversarial attitudes and behaviours learnt ‘outside’. At Opal, changes in personnel occurred on the management side at the national leadership level, and especially at the vital level of site managers, and in the tribunal members providing third-party support for collaboration (on the third parties, see section 4.6 below). In contrast, it occurred less on the union side, where some interviewees saw the opposite problem of excessive tenure of worker representatives being a problem (see section 4.3 below).

Neither the change in company ownership (in 2020) nor the introduction of new national managers seemed to create immediate barriers to collaboration. As recounted above, the new owners chose to retain support for collaboration, while the new individuals introduced into senior management positions similarly reaffirmed their commitment. There was therefore no serious challenge at this level. The reasons for this stability were various: the promotion of some of the new managers from within and their familiarity with the collaborative arrangements; the continued role of some existing managers and union officials, who were able to persuade the new managers to maintain the status quo; the continued good outcomes flowing from collaboration, at least at most sites; and possibly a recognition that a return to adversarialism would be undesirable.

Despite this general stability, however, some potential disruption flowed from new senior managers bringing new ideas or interpretations of the meaning of collaboration. In articulating their different meanings of collaboration, the new managers seem to have been strongly influenced by what they perceived as poor collaboration and poor performance at a minority of sites. Delegates, one manager argued, saw collaboration quite differently to him:

“[At] a delegate level, their behaviour from my perspective really hasn’t changed [from the adversarialism of the past]. If they like something it goes fine. If they don’t like it, they will raise every issue they possibly can, and there are many that have been raised over time... So ultimately you are not driving an improvement process and I think there is limited appreciation or understanding of what ‘collaboration’ actually means versus ‘we want more money’ or ‘by the



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way, we should all do more overtime' or 'you should pay us for early retirement' or instructing people to go on income protection because they know they will get paid."

In contrast, the meaning he attributes to collaboration focuses on jointly improving the performance of the organisation:

"[Collaboration is] where you listen to both sides, you put on the table ideas and concepts to actually improve, so it is for the benefit of everyone's future. If you disagree, you utilise the facts to actually help you get through the options and solution. And then you go from a positive perspective to an arbitrator who hears both sides."

New site managers, however, were considered a more significant problem than the national managers, especially by union commentators. For example:

"[It] falls down at a site level with the changing of the guard... Because they don't know how to do it [i.e. collaboration]... You get a lot of new managers that are coming in ... going, 'Why the hell are we doing this? At [competitor], we just do ABC and we get it done'. And it's true. [They] have gotten away with doing things in an unscrupulous way and have effectively weakened the union movement within the organisation and to the detriment of ... workers. So, I see why managers come across and say that... 'Well, why are we doing this? It's ridiculous. Why do we need their permission? Why do we need to have the conversation? It's management prerogative.' So, it's unlearning behaviours that are still going on today."

National managers were well aware of the potential threats posed by new site managers, although they were generally more sanguine about it. They offered at least three counter-arguments to the union concerns. First, the regular turnover of managers was considered inevitable and desirable:

"There will always be turnover [because]... people will apply for internal roles and move sideways to other divisions. So, businesses don't have managers that sit in the same role for 30 years, and if they do, they're not really growing. Now, in the blue-collar space that's a very different agenda because people will work for a same company for 30 years in the same position. Now, that's life. There's nothing bad or good about either of those examples, it's just a reality."

Second, they pointed out that the recruitment systems at Opal were designed to select site managers who were sympathetic towards and capable of operating collaborative relationships:



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“[We] are very overt through the recruitment process about how we work in the fibre packaging division of Opal. We are very overt around the use of site change teams, the relationship with the union and some of the inherent challenges of that. The pace of change takes longer, whilst the sustainability of change is better. It is around relationships as much as process. It is as much around inclusion as it is around management responsibility and an authority... [So], when it comes to change, productivity, efficiency, this is the model we work through.”

Third, they stated that some turnover of site managers was actually caused by the poor (and adversarial) behaviour of some union delegates with whom managers worked at the ‘difficult’ sites. As one manager put it:

“We have had a high turnover of site managers and frontline managers because it’s just too difficult. People come into the role and they just think ‘This is just too hard’, and probably some of our managers don’t understand why we do the collaborative model... Why would you want to deal with this day-in and day-out because literally it’s a 24-hour a day slog...”

Another manager made a similar point:

“... the turnover is because [site managers] don’t want to deal with the AMWU. And that’s it in a nutshell. They go ‘This is too hard’. The really, really great site managers that have done amazing things in other corrugating companies don’t last very long or they just go ‘This is too hard. I am not allowed to make decisions to actually discipline, get things done quickly because it’s the right way for the business. I have to ask for permission on everything I do’.”

These qualifications aside, senior managers also accepted that site managers had over the years made mistakes. For example, on the problem with excessive overtime, one manager said: “it’s partially our fault because we’ve allowed this to occur over time.”

A lack of training for new managers was also advanced to be a cause of the problem. As one manager put it:

“... once we’ve hired [new managers], we don’t necessarily induct that well into the site change team model and I think that’s probably one of the key improvements [that are needed]. ... Site managers change regularly, and that’s a statement of fact and it’s true and correct. So, unless we



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run a training cycle on a regular basis, they really don't get trained in it. They get immersed in it very quickly with some peripheral information and then work gets in the way."

Consistent with this, more training for new managers was considered a key solution to improve the operation of collaboration. Towards this end, management in early 2021 commissioned the preparation of a new training manual for site managers.

### 4.3 Shifts in attitudes/ behaviours by established parties

One criticism of existing practice of collaboration at Opal (but not of the principle of collaboration) was that some incumbent parties had been too long in their roles and that their attitudes and behaviours had shifted in ways that challenged the success (and future) of collaboration. This criticism was levelled by managers mostly at union delegates who, it was claimed, dominated not just the Site Change Teams, but also other site-based committees focusing on industrial relations, and health and safety. As a result, it was argued, these long-serving delegates had either come to expect excessive rewards in return for cooperation or they had come to advance their own interests, which were contrary to those of the company and/or employees. For example:

"It's the same members who are on all the other committees. The safety people, the ones that are on the IR committee, are all the main union delegates. They control all the different forums, which unfortunately sometimes creates barriers because ... people have their own agendas on the table as opposed to what the people they're representing actually want."

Alternatively, another manager argued that when collaboration faltered (and adversarialism reasserted) it was because managers say 'no' and long-entrenched delegates could not accept this response:

"And every time that occurs, it's when managers don't say 'Yes'. And that's why I said to you earlier that it's a collaborative approach if we say "Yes"."

Managers used two main examples to illustrate this point and their solution, which was some turnover in delegates. The first example was a poorly performing site, where they saw long-serving delegates dominating and failing to collaborate effectively. Relatedly, management argued, the workforce is divided into two groups with different 'personal agendas':



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“[W]e’ve got an aging workforce ... and there’s a number of people that would like to see the place closed or partially closed, they can get their uncapped redundancy and jet off into the sunset. And then you’ve got the younger ones that have come in who are on fantastic terms and conditions you cannot get anywhere else, who want to keep their jobs. So, you’ve got two opposing driving forces ...”

The second example – which managers saw as indicative of the solution to this problem – was a site where a change in long-term delegates led to dramatic improvements in collaboration and performance. According to management, this site ‘used to be quite problematic’, but the delegates drew a lesson from a national meeting where they compared badly with other sites. They subsequently changed some of the representatives on the Site Change Teams, which injected new motivation. The result – consistent with the views of union officials quoted above – was dramatically better collaboration and improved site performance:

“[T]hey went away from that [national] session and said to themselves...: ‘That was embarrassing. We want to be the better site next time.’ And they themselves self-selected some of their members to be moved on from the committee and brought new people on because they do not want to not be just... not doing anything. So, some self-selection happened there and some self-motivation and it was absolutely amazing to see that happen.”

#### 4.4 The impacts of external forces

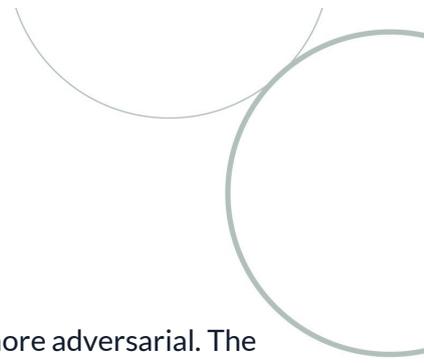
A common observation about enterprise-level cooperation in industrial relations, especially collaboration between management and unions, is that it is highly unusual and that its success depends on “insulating” the enterprise or workplace from the adversarial pressures emanating from external forces.

At Orora/Opal, the process of insulation was largely successful, allowing the parties directly involved to develop collaborative relationships. However, interviewees from both management and unions were mindful that external forces often did not support collaboration, but rather threatened to promote more traditional adversarialism.

On the management side, these external influences were most evident when new managers were appointed, with attitudes that were inconsistent with collaboration (see above, section 4.2). Their



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learned experience – often from earlier experiences in other companies – was more adversarial. The challenge for Opal was to train these new appointees in the collaborative approach.

On the union side, the union officials directly involved with Orora/Opal got little active support from their colleagues elsewhere in the union, so they needed to ‘swim against the tide’ relatively unaided. This was evident in two ways. First, there are very few open conversations within the union about collaboration. Instead, the Opal officials were treated with suspicion. In particular, they felt that “the talk behind our backs is that we’re doing deals and just bullshit because they don’t understand it...”. Second, when other union officials occasionally experimented with collaborative methods, they often failed for reasons that could have been avoided if more open discussions had occurred amongst officials about the collaborative experience at Opal. In both cases, these external forces by no means prevented cooperation at Opal, but they did make the sustainability of cooperation more difficult. Continued success required commitment and persistence on behalf of its supporters.

#### **4.5 A failure to achieve expected outcomes**

A key factor in support for collaboration is that it produces “mutual gains”; that is, the outcomes of collaboration are positive for both managers and the organisation, on the one hand, and workers and unions on the other. Without these positive outcomes collaboration will fail.

Managers focused mostly on organisational performance. They were, for example, unhappy about a particular Opal site which did not meet performance expectations:

“Without a doubt, [this site] should be our most cost-effective simple facility and it is one of our highest cost facilities: ... because productivity isn’t where it needs to be and that has a lot to do with people turning speeds and machines up and down. And the overtime percentage in that facility during normal hours is three times higher than any other location due to ongoing absenteeism, which then guarantees all of them overtime. Because in that facility you are not allowed to bring casuals in, but in every other facility you can.”

On the other hand, delegates focused on the economic interests of union members. At this same site, for example, the proposals by management for workplace change were considered damaging their economic interests. Delegates therefore resisted the introduction of an additional shift and the use of



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casuals because it would reduce overtime levels, which had for a long time allowed them to enjoy higher wages. A manager summarised the issues this way:

“... these are the things that are now going to impact people financially, particularly from an overtime perspective. If we’re more efficient, there would be less overtime. So, people have been used to higher levels, some 50 percent and higher level of overtime for years and now, and you’re going to ask them to improve something which will impact that. I don’t know how you get people past that because people have changed their lifestyles to meet the monetary income they get. Now you tell them they’re going to earn 2,000 dollars less a month, how are they going to pay for their kids’ private school and their investment properties, and whatever else they’ve got going on and that’s the real challenge.”

At this site, where trust between the parties was low and there was a perceived conflict of economic interests, collaboration became more difficult. Indeed, managers blamed the extensive consultation and negotiation procedures associated with collaboration as delaying and/or frustrating important workplace change, while delegates saw managers as attacking worker rewards. At other Opal sites, similar problems had been overcome through collaboration, but not here.

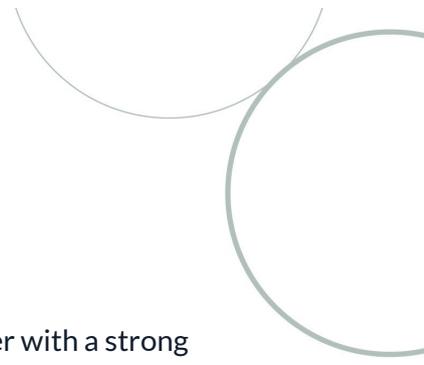
## 4.6 Third parties

The support provided by the FWC, as a third party, was considered by all parties to be vital to the establishment and sustainability of collaboration at Opal. Several praised and acknowledged the importance of the Commission’s independence, expertise and availability over a long period. The preparedness of the Commission to provide further training and intervene in other ways during 2019 and 2020 was considered especially valuable by both management and union interviewees.

At the same time, two features of the FWC’s role were also noted. First, it was argued that the problems at the worst-performing site had not been resolved by the intervention of the FWC, just as they had not been resolved by significant investment in terms of new technology and the time and efforts of managers and union officials. Second, the retirement of the two FWC Members who were originally involved meant that new individual Members were brought in from late 2020 onwards. Indeed, several FWC Members were involved in different issues at different sites. Each was, according to the parties, helpful and assisted in resolving the respective disputes. However, the FWC’s new method of allocating



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case work allocation was different to the past when it appointed a single Member with a strong understanding of the relationship's history to support collaboration at Orora/Opal. The parties were uncertain whether the FWC would be able to provide the same commitment and capacities to support cooperative relationship as it had in the past.

Another third party that was also instrumental in the establishment and continuation of collaboration after 2015 was a private consulting firm, CoSolve, which provided on-going training and facilitation services. These services tended to be used on specific projects or where individual sites needed specific types of assistance.

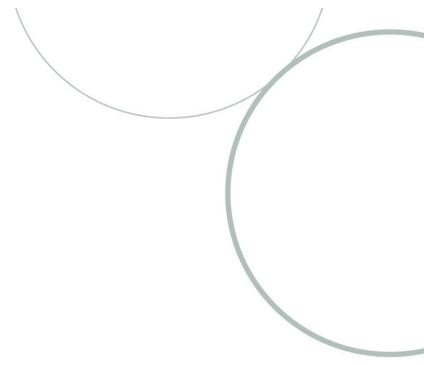
## 5. Conclusion

The progress of collaboration at Orora/Opal since 2015 has been excellent and it represents an outstanding example of cooperation at work in an industry with a strong tradition of adversarial industrial relations. This continued collaboration has helped to sustain better workplace relationships, improved organisational performance and better employee experiences. There have, however, been moments along the way that have challenged the relationships and success has varied in different parts of the organisation. The Opal/AMWU story, therefore, offers many important lessons for the sustainability of collaboration.

This case study argues that the key to understanding the success of sustained collaboration is the preparedness and capacity of the parties to counter the strong institutional tide of adversarialism that characterises industrial relations in Australia generally as well as relations at Opal. This tide was manifest in a number of challenges that became evident in the Opal story: integrating new parties (especially managers) into the collaborative arrangements; managing the changing expectations of long-serving parties to collaboration; pressures from 'outsiders' who are unfamiliar with or antagonistic towards collaboration; and differences between the parties about the outcomes of collaboration. Each of these challenges can be overcome, and have been overcome in this powerful relationship, but they remain important parts of the cooperation dynamic.



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