

IR Reforms announced

The Howard Government announced recently that it would introduce changes to workplace relations in Australia by creating the Australian Fair Pay Commission (AFPC) to set minimum wage rates, introduce legislation that will lock in key minimum conditions of employment such as annual leave, personal/carer's leave. All collective and individual agreements will need to be lodged with the Office of the Employment Advocate (OEA). All agreements, both collective and individual, will take effect from the day they are lodged and agreements will be able to run for up to 5 years.

These changes will also see the number of allowable matters within awards reduced and the setting up of a review of existing award wage and classification structures. This review will rationalise the existing classification structures to today's workplaces and at the same time recognise the different skill employees have. A taskforce will be charged with this responsibility and will need to achieve its goals in 12 months.

The Australian Industrial Relations Commission will continue, but will concentrate on dispute resolution and further simplified awards.

These changes will also introduce exemptions for businesses that employ up to 100 employees from the unfair dismissal laws.

All State Governments were invited at the June 2005 Council of Australian Governments' meeting, to refer their powers on workplace relations to the Federal Government. If the States don't comply the Federal Government will rely on the power it has under the constitution (section 51.20), precedents set by previous Governments of both persuasions and rulings of the high court to apply a national IR system for companies that are registered with Australia Securities Investment Commission (ASIC). This will then cover some 85% of all Australian workers.

Things like jury service, long service leave; notice of termination and Superannuation will be removed from awards because they are already covered in other legislation.

The benefits to small business of all of this includes exemption for businesses with less than 15 employees from redundancy payments, a simplified award system and more flexible workplace arrangements for the 1.2 million workplaces that are small business.

COSBOA has asked that any changes to work place relations ensure 4 key points are addressed. Flexibility and simplification seem to have been covered, however access to the system and our cost concerns have still to be addressed in the detail.

We look forward to the introduction of these measures and the opportunity to work closely with the Government during their development.

Tony Steven