

# POST-PANDEMIC INDUSTRIAL RELATIONS REFORMS

ESSENTIAL TO SUSTAINED ECONOMIC RECOVERY



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## AGREEMENT MAKING

Agreement making in Australia is unnecessarily technical, limited in options and amongst the slowest in the world. Expanding agreement options and streamlining the process will boost employment during the pandemic recovery period.

### 1.1. EXPAND AGREEMENT MAKING OPTIONS

- » Retain enterprise bargaining for employers / employees who choose this mechanism, but focus bargaining on the employment relationship, productivity and competitiveness.
- » Provide for "High Income Employment Contracts", a new form of statutory individual agreements for employees earning a minimum of \$132,000 pa.
- » Provide for "Project Life Agreements" that offer industrial stability and certainty of cost for eligible major projects (minimum \$50m cap ex).

### 1.2. STREAMLINE AGREEMENT MAKING PROCESSES

- » Provide that any form of agreement is effectively in-term from date of lodgement with a statutory declaration that all legislative requirements have been met.
- » Move the agreement approvals function to the Fair Work Ombudsman (a highly resourced and compliance-focused regulator), and provide for a one month period in which the FWO must audit / review the agreement and either confirm compliance or seek corrections / amendments.
- » Provide a strict one-week window from date of lodgement in which any third parties can lodge objections or submissions to an agreement, to be considered by the FWO in its audit process.

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## THE SAFETY NET

Australia's safety net is the most complex in the world; creating layer upon layer of red-tape suffocating job creation. Simplifying the safety net will make it fast and easy to employ people and ensure they are well-paid and productively engaged.

- » Replace Australia's system of 122 "modern awards" with 19 "industry minimum wages" (note: aligned with the 18 industry employment data categories utilised by the ABS, with one extra for miscellaneous work).
- » Have a single baseline for minimum working conditions, allowances and entitlements (i.e. the "National Employment Standards" is the sole authority for all employment relationships, with the only variance being industry-specific weekly minimum pay).
- » Provide freedom to contract for all employers and employees above this simplified baseline.

**Note:** This would assist with the fast-tracked FWO agreement audit process – a simple matter of ensuring conditions meet the national minimum standards, and the weekly wage is equal to, or greater than, the relevant industry minimum.

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## RISK, COST & UNCERTAINTY

Australia's industrial relations system has become a legal minefield for employers, with more risk, cost and uncertainty associated with employing people than ever before. Addressing this will boost business confidence and encourage them to employ.

- » Provide a clear definition for casual employment in Australian workplace law that aligns to common understanding.
- » Ensure the longstanding practice for personal leave entitlement – two weeks equating to 76 ordinary hours per annum – is reflected in the simplified safety net.
- » Provide greater balance to unfair dismissal laws that supports employers taking legitimate action against unsafe practices and/or clear workplace misconduct.
- » Either abolish altogether, or significantly reform, the Adverse Action / General Protections provisions, which are an affront to the principles of justice and insert unprecedented liabilities into the employment relationship.