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Workplace reforms to be fast-tracked

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· Early start for wages commission · Small business wins on payouts

The federal government is planning to fast-track key elements of its workplace relations reforms, establishing its controversial minimum-wage-fixing body well before the rest of the changes come into force in March.

The Fair Pay Commission, which will be chaired by economist Ian Harper, faces a tight deadline to hire staff and find premises and to complete the first review of minimum pay and conditions by the spring of 2006, as promised.

The government wants to have the body in place to pre-empt separate minimum wage claims being pursued by trade unions in state tribunals and in the Australian Industrial Relations Commission, whose jurisdiction will be cut back under the new rules.

The Work Choices Bill is expected to return to the House of Representatives today for approval of amendments made in the Senate last week.

These include provisions to allow the part of the bill that establishes the FPC to come into force as soon as the bill receives royal assent.

Similar provisions also allow for early introduction of an exemption from redundancy pay for businesses employing fewer than 15 workers, and for the creation of a national industrial regime regulating employment of school-based apprentices and trainees.

The legislation on redundancy claims will overturn a decision by the AIRC last year on a test case run by unions.

A spokesman for Workplace Relations Minister Kevin Andrews yesterday declined to say when the FPC would start operations.

The rest of the legislation - including the scaling back of the AIRC's jurisdiction, tighter restrictions on union activities, the removal of unfair dismissal rules for small and medium-sized businesses, and new provisions on agreement making - begins on a date that the government can

proclaim.

Mr Andrews has previously said he expects the legislation to come into force from March.

Australian Chamber of Commerce and Industry chief executive Peter Hendy said the legislation was the biggest change to national workplace laws for a century.

"The sooner it is implemented, the better," he said. "We weren't happy with some of the 300-plus last-minute changes, but the fact is that the overall package is significant reform and will particularly help small business."

With the intense public debate over the impact of the legislation on living standards and employee entitlements, the government's standing in opinion polls has continued to fall.

The latest Newspoll published yesterday showed that if an election had been held at the weekend Labor would have secured 42 per cent of first-preference votes while the government would have won 38 per cent of primary votes.

The Prime Minister, John Howard, told government MPs yesterday that the decline in the coalition's polling was to be expected given the intense focus on the government's legislative agenda in recent weeks.

A party-room spokesman said Mr Howard had said the government always expected to "lose a bit of bark" because of the industrial relations issue but would recover once the new laws came into force and the electorate realised that Labor and the unions had been mounting a fear campaign.

ACTU president **Sharan Burrow** said unions and Labor had won the public debate but the parliament had divided on party lines.

"Now we've got to win the only vote that counts," she said, adding that the union campaign would continue up to the next federal election in 2007.

Meanwhile, the Australian Manufacturing Workers Union warned employers not to use the new laws to push down wages and conditions when about 700 enterprise agreements expire in early 2006.

The AMWU's national council said workers were entitled to seek wage rises that acknowledged inflation, increased productivity and company profitability - suggesting they would seek minimum pay rises of 4 per cent a year.

AMWU national secretary Doug Cameron argued the Australian Industry Group was "encouraging employers to use this legislation in a punitive and nasty way to drive down wages".

He said workers should aim to improve business performance and job security, and accused AI Group chief executive Heather Ridout of promoting a model of "low-wage, unskilled manufacturing" as right for Australia, which already had a skills crisis.

Workplace bargaining in manufacturing should be about "building skills, improving quality and proper recognition and reward, not stripping away rights and conditions", he said.

But Ms Ridout said the claim that the AI Group supported a low-wage mode was a "silly proposition".

She said Australia could not compete internationally on such a model. "On the contrary, we see the risk of steering the economy down a low-productivity path if the primary emphasis is on lowering costs of employment," she said.

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