

[[Major News - Federal Politics - Workplace Issues](#)] [[Next](#)]

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Employers rush to beat IR deadline

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Thousands of employers are signing new agreements with trade unions rather than waiting to drive tougher bargains under the federal government's Work Choices Act.

The sweeping changes are due to come into force next month and unions have pushed employers to reach new deals or roll-over existing ones under the current laws, offering moderate pay claims that keep "union-friendly" terms and conditions.

Australian **Industrial** Relations Commission data shows the registration of **union**-negotiated agreements more than doubled in the second half of last year compared with the first half when the government announced its radical overhaul of **workplace** laws.

The trend suggests that many employers in unionised **industry** sectors are making pragmatic decisions - particularly given the skills shortage - to minimise disruption during the transition to the new system.

But the battle for hearts and minds is escalating with the federal government spending about \$11 million to promote Work Choices, including a national network of advisers to encourage business to take advantage of the changes.

Workplace Relations Minister **Kevin Andrews** told The Australian Financial Review that some employers were signing new deals but that "it didn't seem like an avalanche".

Mr Andrews said most employers focused on their business and only looked at the **industrial** relations framework when the law changed or they negotiated an agreement.

"We see this as a reform over the medium-term in its impact," Mr Andrews said.

"It's not something that's going to happen overnight in terms of the

immediate take-up but that's the way it was designed."

The government is under pressure to complete powerful regulations that will fill out of the details of the Work Choices legislation and which have to be completed before it can come into force.

Mr Andrews conceded there was a "bit of transitional period at the moment", but said the government was on track to complete the regulations in time to proclaim Work Choices next month, "probably in the latter half".

He denied the introduction of Work Choices was being delayed until after South Australian elections on March 18, saying that care was needed to get the regulations right while still getting the new system in place in March.

Treasurer **Peter Costello** told parliament yesterday that **unemployment** had probably reached a cyclical low and the economy would need structural reforms, mainly in labour market regulation, if the jobless rate was to be reduced further.

Mr Costello said the new **industrial** laws were just the beginning of the process and the government "would certainly recommend that Australian businesses carefully consider them and carefully consider ways in which they could improve productivity and **employment** outcomes".

The AIRC registered 2083 **union**-negotiated agreements in the December quarter and 1308 in the September quarter, compared with 776 in the June quarter and 675 in the March quarter.

The militant Construction, Forestry Mining and Energy **Union** has a new national deal with the builder Bovis Lend Lease, which reportedly includes pay rises of 13 per cent over about 27 months while abolishing several allowances.

Companies that have struck recent accords include the National Australia Bank, News Limited, Australian Air Express, Kraft, Nylex, the Murray-Goulburn dairy co-operative and the Exxon-Mobil operations in Bass Strait.

The renewal of agreements is partly cyclical but there is anecdotal evidence from unions and employers that the trend to striking new deals or rolling over existing ones has continued into this year.

Australian Chamber of Commerce and **Industry** chief executive Peter Hendy said his group's basic position was that businesses should hold off making new deals until after the new law came into force "because they're good reforms".

"It's true that there is uncertainty but that won't last very long, it's only a couple of weeks," he said.

Mr Hendy said it was "unfortunate" the government had yet to set a start-up date for Work Choices and that **ACCI** was seeking to have "some chance of consultation on the regulations".

The regulations will help set the shape of the new system, partly because they will define "prohibited content" that cannot be included in new agreements such as restrictions on the use of individual Australian **workplace** agreements.

UNDER THE GUN

How companies are responding to the impending IR reforms

TWO CHOICES

*Sign agreements early to reduce conflict with unions

*Wait for reforms to improve bargaining position

INDUSTRIAL AGREEMENTS

***Union**-negotiated enterprise agreements quarter by quarter

Mar 675

Jun 776

Sep 1308

Dec 2083

The reforms

ALREADY IN PLACE

*Fair Pay Commission to deliver first ruling on minimum pay and conditions by spring

*Businesses with fewer than 15 workers exempt from redundancy pay

COMING IN MARCH

*Single national IR system to override state systems

*Businesses with fewer than 100 employees exempt from unfair dismissal claims

*Simplified agreement-making, promotion of individual agreements

*Tougher controls on unions and strikes

*Legislated set of four minimum conditions

Source: ARC, DEWR

KEY POINTS

*There were 2083 **union**-negotiated agreements registered in the December quarter.

*There's a new \$11 million ad campaign to promote the changes.

*The **ACCI** wants businesses to wait for the new rules to take effect.

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