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Divided response to final phase of IR reform

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UP TO 2 million people who work as independent contractors will win greater protection under the final instalment of the Federal Government's workplace reforms, introduced to Parliament yesterday.

But critics of the Independent Contractors Bill claim the laws will allow unscrupulous employers to force employees to become contractors, stripping them of annual leave, award protections, workers' compensation and superannuation.

The bill has won support from business, housing and industry groups, but Labor and the unions labelled it "irresponsible and unfair".

Workplace Relations Minister Kevin Andrews said the legislation would protect the right of all Australians "to be their own boss".

"An efficient modern economy should have a dynamic mix of working arrangements . . . independent contractors are an important part of this mix," Mr Andrews said.

The bill will offer protections from "sham" contracts for textile, clothing and footwear workers, owner truck drivers in NSW and Victoria, and for all genuine employees. It also overrides state provisions that treat certain classes of independent contractors as employees.

The Australian Industry Group and Housing Industry Association welcomed the bill, and the Australian Chamber of Commerce and Industry said the laws would create an entrepreneurial "can do" culture in the workforce.

But Victorian Attorney-General Rob Hulls said the laws provided unscrupulous employers with the opportunity to hire people as contractors when they were really employees.

"These laws make ordinary workers responsible for their own income tax, health and safety, with no rights to holidays and sick pay," Mr Hulls said.

The bill also has opposition from within Coalition ranks. Nationals senator Barnaby Joyce echoed union claims, saying the bill could encourage employers to push employees into becoming contractors unfairly.

ACTU secretary **Greg Combet** said a recent study showed as many as 400,000 Australian independent contractors had only one employer to deal with.

"As individuals on their own, they have weak bargaining power to improve contract rates," he said.

Steve Graham, a sub-contractor employed by Foxtel, called the workplace reforms "draconian" and said Australia was going backwards.

"I haven't had a (pay) rate increase in over six years," Mr Graham said.

"This legislation is going to make it so that I will walk into the office of the company that I work for and they're going to put down a piece of paper that says 'this is your rate, these are your hours of work, this is what you have to do. If you don't like it go somewhere else'." -- With AAP

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