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Daily Media Overview



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Backbench push unfair dismissal

Exclusive

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Political editor

Scott Morrison is facing pressure from his backbench to overhaul unfair dismissal laws amid warnings that another term of policy inaction would be unacceptable.

With business starting to ramp up its calls for change, the backbench is also beginning to organise, as evidenced by 17 Coalition MPs recently attending a private briefing by the Australian Chamber of Commerce and Industry.

The briefing, for MPs who entered Parliament in 2016 and 2019, was held when Parliament sat the week before last and was organised by Liberal MPs Tim Wilson, Jason Falinski and Andrew Bragg. It aimed to inform MPs

from the perspective of small and medium business as to what ACCI considered were flaws in the system.

One of the biggest pushes emerging from the backbench is to exempt small and medium businesses from unfair dismissal laws. These protections were wound back when John Howard instituted Work Choices but restored when Labor won power in 2007.

Other targets are the enterprise bargaining system and modern awards. All these changes would risk putting the government on a collision course with the labour movement.

The government's industrial relations focus in the last term and so far this term has been to target the union movement, rather than change IR law. It has done this through moves such as establishing the Registered Organisations Commission and its attempts to legislate the Ensuring Integrity Bill to facilitate the deregistration of rogue unions and officials.

The Prime Minister has asked Industrial Relations Minister Christian Porter to come up with an IR policy but,

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Backbench push for IR changes

mindful of Work Choices, warned any changes would have to be evidence-based, not ideological.

One MP who supports change but asked not to be named said IR was "an emerging issue" and "we all know there needs to be structural reform".

He said although the backbench was prepared to give Mr Porter some time, "what isn't acceptable is inaction".

Queensland Liberal-National Party senator Amanda Stoker, who has been campaigning on IR since she entered Parliament in March 2018, used a speech at the CPAC conference in Sydney on Friday to make a case that is

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widely held by her colleagues. "The most obvious area of productivity improvement is in industrial relations," she said.

She said the application of unfair dismissal laws to small and medium-sized businesses was a "block to growth".

"Just as uncertainty about casual employment arrangements stops a business from hiring, so, too, does the threat of litigation from a staff member that's not working out," she said.

"No one puts off an employee that is truly adding value unless the business is in dire straits. It should be enough, especially in small and medium-sized businesses, to make a call that a person isn't the right fit."

Senator Stoker also criticised the "ridiculous complexity" of the modern award system. "The Gillard government's attempt to aggregate many awards into the modern awards ultimately delivered the worst of all possible worlds," she said.

"We should accept that this unreasonable complexity has to have played a part in at least some cases of staff underpayment that we see reported.

"Small and medium-sized businesses often come to me and say that the awards system is so difficult for them to navigate that they are either paying expensive consultants that they cannot truly afford to help them with their payroll, or they are terrified that

they might be making an error because they know that the consequences – civil, criminal and reputational – would crush them."

She also backed a promise made by Bill Shorten before the last election to introduce lifelong enterprise agreements for new, or greenfield, projects.

On the weekend, the Business Council of Australia stepped up its demands

to change the enterprise agreements system by replacing the "better off overall test" with a new test. Under that change, the Fair Work Commission, when approving an enterprise agreement, would only have to ensure each class of employee, not each individual employee, would "not be placed at a net disadvantage overall".

Labor agreed before the election that the bargaining system was flawed but was going to introduce pattern bargaining for low-paid industries instead.

The most obvious area of productivity improvement is in industrial relations.

Amanda Stoker,
Liberal-National Party senator

