

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2007-08 ADDITIONAL ESTIMATES HEARING

Outcome 9

DEEWR Question No. EW117_08

Senator Fisher asked on 21 February 2008, EEWPR Proof Hansard page 49 & 50.

Question

Forward with Fairness

Has the government sought any advice about the economic impact of Forward with Fairness and the economic impact of the transition to Forward with Fairness bill in particular?

On what empirical basis is the Deputy Prime Minister able to say that the bill before the House will not jeopardise employment?

Answer

The Australian Government has not sought advice on the economic impact of Forward with Fairness, and the *Workplace Relations Amendment (Forward with Fairness) Bill 2008* (the Bill) in particular, for several reasons. First, there is no body of evidence which indicates that the provisions of the Bill will have any adverse impact on productivity growth. Indeed, to the contrary, there is a clear body of evidence demonstrating that collective bargaining contributes to productivity growth which, in turn, supports responsible, non-inflationary wage increases.

Second, there is also no evidence to demonstrate that individual statutory agreements, and in particular AWAs, improve productivity. Annual productivity growth in the market sector averaged only 0.4 per cent for the period between March 2006 and December 2007. This is significantly below the annual average over the past two decades of 2.2 per cent.

Similarly, there is no evidence that the Bill, including the abolition of AWAs, will adversely affect the level of employment, particularly for the low skilled. The Bill aims to strike a balance between the desirability of generating employment growth and the need for fair employment standards.