

SENATE EDUCATION EMPLOYMENT AND WORKPLACE RELATIONS COMMITTEE INQUIRY

Fair Work Bill 2008

Tasmanian Chamber of Commerce and Industry Limited Submission



The Tasmanian Chamber of Commerce and Industry (TCCI) is an independent membership organisation seeking to positively lead the Tasmanian business community by ensuring the best interests of all our members are represented at a Regional, State, National and even International level.

TCCI would like to acknowledge and provide support for the submission presented by the Australian Chamber of Commerce and Industry (ACCI) to the Senate Standing Committee on Education, Employment and Workplace Relations in relation to the *Fair Work Bill 2008*.

The ACCI submission was made on behalf of the 36 employer organisations which form the ACCI network, of which TCCI contributed its concerns with the proposed legislation changes.

Whilst TCCI recognises the need for some changes to be made to the existing industrial relations system, not all of the changes proposed are viewed to be in the best interests for the business community. The areas of particular concerns are highlighted by ACCI in their submission and include:

- Regulation beyond minimum standards and the safety net through compulsory good faith bargaining orders;
- Compulsory arbitration beyond minimum standards and the safety net in lower paying / low agreement industries;
- Compulsory arbitration beyond minimum standards and the safety net through Workplace Determinations;
- Unbalanced trade union right of entry and inspection rights;
- Unions being designated as default (automatic) bargaining Representative;
- Micromanaging the approval of agreements;
- Increased business costs under Modern Awards and legislated employment standards (the NES);
- Reactivated unfair dismissal systems especially on small business;
- Excessive, ambiguous and new general employment laws (designated as 'the General Protections'); and,
- Inflexible Employment Rules on Transfer of Business.

From a Tasmanian perspective, the key areas of concern that have been raised by our members are in the areas of:

1. agreement making;
2. transmission of business;
3. union right of entry; and
4. reintroduction of unfair dismissal laws for over 15 employees.

Many of our business members are stating that the proposed changes in relation to agreements will discourage them from collective bargaining. Tasmania consists of predominantly small to medium sized businesses, many of which will see little value in going through a bargaining process which will not provide substantive benefits.



The Tasmanian business community is also concerned with changes to union right of entry which will be expanded to include the right to inspect non-members pay and employment records.

This change will have a large impact on businesses that currently have very low or nil levels of union activity. The concerns are in relation to loss of individual rights of privacy, higher demands on business administration functions and the practicalities of how the government will monitor unions who 'member drive' or go on a 'fishing' expedition.

It has been suggested by members that they would have less apprehension if the function of monitoring concerns were managed by FWA.

It is expected by many members within Tasmania that the expansion of transmission of business obligations will impact our state quite strongly. It is envisaged that the global financial impact will become more apparent in Tasmania than other states due to the reliance on exports. Our members have stated that the increased financial obligations will make their business less attractive and therefore closure may be their only option.

Changes to the unfair dismissal laws will have a high impact on Tasmania business sectors due to our high level of small to medium businesses. The main concern by members is that 15 employees is not an accurate reflection of a small business. The threshold needs to be set at a suitable employee number to enable small business to focus on their business and also to reflect what is best for the wider Tasmanian economy.

The Tasmanian business community supports a flexible industrial relations system to ensure business can remain competitive within international markets and also to reduce labour costs but still retain job in tight economic times. A flexible industrial relations system will also reduce the barriers for the creation of employment and also help increase the participation rate, especially in Tasmania which has the lowest participation rate of any State. Any change to the industrial relations system must not increase the cost of compliance for businesses.

The TCCI would again like to state its full support for the ACCI submission, and proposes that the recommendations contained within the submission to the Senate Standing Committee on Education, Employment and Workplace Relations be accepted.

Signed



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