



Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020

The Council of Small Business Organisations Australia (COSBOA) is the national peak body representing the interests of small business. Collectively, COSBOA's members represent an estimated 1.3 million of the 2.5 million small and family businesses that operate in Australia.

COSBOA's members are industry associations and networks with their own small business members and connections. These associations and networks provide expert advocacy on specific industry issues. They also communicate issues to do with their industry sector by means and language that makes information more meaningful and understandable to their target audience.

COSBOA provides overarching advocacy across issues of importance to the sector as a whole or to significant parts of the small business community.

For this enquiry we also refer the Committee to the submissions made by the Pharmacy Guild of Australia and the MGA Independent Retailers for details around particular clauses and specific issues.

Workplace relations and workplace rules and regulations have always been a bugbear for small business people who provide employment to other people.

The rules and regulations have been designed and fought over for many decades by two groups who are part of what we and others call the "IR Club".

These groups may argue and fight but they do whatever they can to maintain complexity of the system. That is how they attract members, who cannot understand the system and how they gather income, from people and businesses who pay for membership and expert advice.

There is also the obvious connection between workplace relations and the ideology of political parties.

The groups who are part of the IR Club are various (not all) industry associations and industry peak bodies and the union movement.

These groups are terrified of losing income if the workplace relation system is simplified.

A simplification of the system will benefit employees (the workers) and employers (in our world these are also workers who happen to employ other workers).

The proposed amendments are very modest changes to a complicated system. We support these changes.

The opportunity to provide some certainty to employers on definition of casuals is an obvious need and is covered by the amendments.

The proposed changes to the employment arrangements for permanent part-time workers is an obvious win for the worker and for the employer.

Currently most small employers and employees would be unaware of the need to pay penalty rates to a part time employee who works extra hours every now and then, they are not aware of this as it makes no sense.

For example, an employee who works three part-days due to child care commitments may be available for more hours (between 9 and 5), and more income, during school holidays when employers will often find that other staff want leave. Yet it is more economical for the employer to recruit a casual than offer that part-time worker more hours. This fails the worker and the employer although it is of benefit to those seeking casual work.

This is worth repeating - it is actually less costly for an employer to employ a casual than offer extra hours to their current employee.

That the unions would object to this change is in direct opposition to their demands that the employment of casuals should be limited and that more people should be offered permanent work.

There is the issue of the BOOT test being removed for a period of two years. Of course the unions and others will politicise this, as is to be expected. The reality is that in that 2 year period we can discover, through real life examples, if the change to the BOOT test is of benefit or is detrimental to employees and employers.

Given the state of the labour market it seems best to respond to a rising rate of unemployment with pro-active measures that will build an environment where more jobs can be created. This is especially important as we seek to rebuild our manufacturing sector and develop better local capacity with essentials PPE items.

As mentioned above we understand that workplace relations is an opportunity for grandstanding and politics. We also understand that unions and various industry associations are afraid of losing an income source.

COSBOA is interested in the welfare of employers and employees alike. A simpler system will assist in generating employment, removing fear of getting it wrong and give employees more certainty.

The bill does not create big changes to the workplace system. The proposed changes are minor but are of benefit and should be passed through the Senate. Then the impact of these changes can be assessed in over the next two years.

Peter Strong
CEO

