

05 April 2017

Mr Stephen Palethorpe
Secretary
Senate Standing Committee on Education and Employment
PO Box 6100, Parliament House
CANBERRA ACT 2600

sent via email: eec.sen@aph.gov.au

Business
Council of
Australia



Inquiry into Fair Work Act - related bills

Dear Mr Palethorpe

Thank you for your invitation to provide a submission to the Standing Committee on Education and Employment inquiry into three Fair Work Act-related bills currently before Parliament.

The Business Council is broadly supportive of these amendments and urges the timely passage of the three bills:

- Fair Work Amendment (Corrupting Benefits) Bill 2017.
- Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017
- Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017.

Our position on each of the three bills is outlined briefly below.

Corrupting Benefits Bill

The Royal Commission into Trade Union Corruption and Governance uncovered numerous cases where employers made secret payments – bribes, secret commissions or other unlawful payments to union officials.

The prevalence of these types of payments demonstrated the compelling case for stronger deterrents for employers and unions participating in corrupt behaviour and this Bill delivers those deterrents.

The proposed changes reflect the Royal Commission's recommendations – and the Business Council strongly supports the implementation of these recommendations through this bill.

It is now incumbent upon both employers and unions to make sure corrupting payments are stamped out once and for all, providing the community with greater confidence in the integrity of Australia's workplace relations system.

Protecting Vulnerable Workers Bill

The Business Council supports efforts to tackle the exploitation of workers through the Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017. This sort of behaviour cannot and should not be tolerated in the modern workplace.

The Bill does contain significant increases in penalties for underpaying workers, along with greatly enhanced evidence-gathering and enforcement powers for the Fair Work Ombudsman. This should assist in eradicating systemic cases of underpayment.

At the same time, it will be important that the new penalties and powers are applied carefully by the regulator to avoid unintentionally penalising those employers who are trying to do the right thing. If new penalties and powers are poorly applied then this could discourage

reputable businesses working with the regulator on a voluntary and proactive basis to ensure compliance.

Repeal of 4 Yearly Reviews and Other Measures

This bill begins the important task of implementing the recommendations made by the Productivity Commission in its Final Report into the Workplace Relations Framework.

Common sense changes, including repealing the unwieldy four-yearly reviews of modern awards and relaxing the treatment of minor technical errors made during enterprise bargaining will reduce the administrative burden on employers and employees' representatives. These changes are able to be made without disadvantaging employees.

The Business Council strongly supports efforts to modernise the Fair Work Act, to work towards a workplace relations system that delivers safer, more productive and fair workplaces along with better job opportunities. These bills are an important part of ongoing action to deliver on this objective.

Yours sincerely

Jennifer A. Westacott
Chief Executive