

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 125

Topic: Industrial Relations - WorkChoices

Hansard Page: E95-96 (03/06/2010)

Senator CAMERON asked:

Senator CAMERON—I will have other questions. This is the last question tonight, because I want to give Senator Heffernan a go. On page 9 you raised the issue of industrial relations and the need to have flexibility in industrial relations. Do you want to go back to Work Choices, because the public have made a decision about that and we have brought a balance into the industrial relations system? Where do you want to go in terms of industrial relations, and what are the social implications of going back to a Work Choice type of approach, because that is where you have to go if you do not go down the track that we have adopted? Can you take that on notice, as well.

Mr Banks—I am not sure how much more there is for us to say, because both sides of politics accept that it is important to balance the legitimate rights of workers with the need for enterprises to be able to make organisational changes to enhance their productivity. Again, it was an observation; it was not a recommendation about any specific aspect of the regulatory framework.

Senator CAMERON—I am so thankful for that!

Answer:

The Commission has endorsed the reforms commencing in the 1980s which moved away from centralised wage fixing to an enterprise-focused industrial relations system. An enterprise focus can facilitate greater workplace flexibility and innovation, which in turn underpin higher productivity and wages. Commission studies of workplace changes in the 1980s and 1990s confirmed that enterprise bargaining had fostered higher take-up rates of new technologies and significantly higher productivity in various industries. But the Commission has also acknowledged the need to balance workplace flexibility against the legitimate role for industrial relations regulation in promoting workers' basic rights, reflecting community norms.