

POLICY ANALYSIS



September 2007

COALITION AND LABOR IR POLICIES: READY RECKONER OF 30 MAJOR DIFFERENCES

COALITION	LABOR
Keep Australian Workplace Agreements	Abolish Australian Workplace Agreements ¹
Collective bargaining voluntary	Collective bargaining compulsory ²
No obligation to collectively bargain with unions	If collective bargaining activated, must bargain with union if one union member employed ³
Unions party to agreements by majority vote only	Unions party to agreements if 1 union member and majority vote ⁴
Lawful to employ only on legal minimum wages/conditions	Must collectively bargain above minimum wages/conditions ⁵
Pattern (multi employer) bargaining prohibited; enterprise bargaining only	Some pattern bargaining allowed ⁶
Can't strike in AWA workplaces	Can strike in AWA workplaces ⁷
Can't strike over non-employment matters	Can strike over non-employment matters ⁸
No new compulsory arbitration	Compulsory safety net arbitration re-activated ⁹
Awards frozen at March 2006	Awards reactivated for persons under \$100,000 per year ¹⁰
1 year parental leave on birth of a child	2 years parental leave ¹¹
Parental leave shared between parents but only until child turns one	Second parent can take 12 months leave when same child turns one ¹²
Paid maternity leave by voluntary agreement only	Paid maternity leave over time ¹³
Hours, location of work set by employer	New employee rights over hours, location until children in school ¹⁴
Redundancy pay able to be bargained	Redundancy pay mandatory ¹⁵
Agreements must provide fair compensation for penalty rate trade-offs	Any trade offs or agreements must make employees better off ¹⁶
Unions can't ask AIRC for higher employment standards	AIRC can increase award employment standards ¹⁷
Minimum wages set by Fair Pay Commission (AFPC) inquiry	AFPC abolished; wages returned to arbitration body ¹⁸
Minimum wage increase quantum and timing discretionary	Arbitrated 'updated' wage rates every 1 July ¹⁹
Youth wages retained but reviewed	Youth wages retained but replaced case by case ²⁰
Limits on union entry to workplaces	Limits on union entry in AWA workplaces removed ²¹
Leave accrues for service with employer	Leave portable across multiple employers ²²
Taxpayer safety net for unpaid entitlements	Additional measures beyond safety net ²³
9% superannuation paid quarterly	Paid monthly, and increase to 15% over time ²⁴
Only employer liable for wages conditions	Multiple employers in supply chain liable for wages/conditions ²⁵
Independent contractors not in IR system	Unions can make IR claims affecting contractors ²⁶
Keep Australian Building and Construction Commission watchdog	Abolish Australian Building and Construction Commission ²⁷
Exempt businesses of less than 100 employees from unfair dismissal	Reintroduce unfair dismissal claims on all employers ²⁸
No unfair dismissal claims for genuine operational reasons	Widen unfair dismissal laws by removing genuine operational reasons exemption ²⁹
Retain Australian Industrial Relations Commission and its membership.	Abolish AIRC, create new industrial tribunal, sack all AIRC members and appoint to new arbitration tribunal whoever ALP government decides ³⁰

NOTES:

Based on Coalition's *WorkChoices* (March 2006 and June 2007), and ALP's *Forward with Fairness* (April 2007) ('the ALP policy'), ALP Policy *Implementation Plan* (September 2007) ('the *Implementation Plan*'), and ALP National Conference Platform and Resolution (April 2007) ('the ALP Platform and Resolution'). Beyond this ready reckoner, more detailed Snapshots and Analysis of the industrial relations policies have been prepared by ACCI and can be found at www.acci.asn.au. This is a ready reckoner of major differences, not similarities. Without seeing proposed ALP legislation, all differences cannot be identified. Explanations of ALP policy are provided by way of footnote.

- ¹ The ALP Implementation Plan allows existing AWAs to continue until their expiry. It also allows a transitional system different to AWAs (called ITEAs) until 2010.
- ² If a majority of employees demand it, or the union demands it and is supported by a majority, or the industrial tribunal decides there is majority support.
- ³ Provided the union staff member wants the union involved.
- ⁴ The ALP policy, p13 'where employees covered by a collective agreement were represented by a union in bargaining, the union will be bound by the agreement'.
- ⁵ If a majority of employees demand it, or the union demands it and is supported by a majority, or the industrial tribunal decides there is majority support.
- ⁶ ALP policy prefers enterprise bargaining but allows pattern bargaining in a variety of cases, see ALP policy pp13-14.
- ⁷ The transfer of employees from AWAs to common law contracts as a result of abolishing the AWA system exposes those workplaces at any time to the right to strike in support of collective bargaining demands.
- ⁸ The right to strike applies over any lawful bargaining demand 'on whatever matters suit them', see ALP policy p14.
- ⁹ The ALP's 10 award standards can be compulsorily arbitrated across an industry by the industrial tribunal. The tribunal can also 'build on' the legislated standards, see ALP policy p10.
- ¹⁰ See ALP Implementation Plan p9. Few awards currently cover staff earning above \$100,000 pa.
- ¹¹ Right to 1 year absolute, right to request 2 years, can only be refused on reasonable grounds with reasons given in writing.
- ¹² See ALP policy p7.
- ¹³ At no cost to small business (with the implication being at cost to medium and large businesses), see ALP Platform chapter 7 para 44.
- ¹⁴ Right to request 'flexible work arrangements' (e.g. preferred work hours, rosters, days, location, home-work or category of employment) until child reaches school age, can only be refused on reasonable grounds with reasons given in writing, see ALP policy p8.
- ¹⁵ Mandatory in every employment contract in workplaces with 15 or more employees, unable to changed or traded off by agreement, see ALP policy p9.
- ¹⁶ Collective agreements cannot 'not disadvantage' employees or have neutral benefits, they must make employees 'genuinely better off overall', see ALP policy p10.
- ¹⁷ Industrial tribunal arbitrates awards, see ALP policy p10.
- ¹⁸ Arbitral body can, however, conduct research, see ALP policy p11.
- ¹⁹ See ALP policy p11.
- ²⁰ See ALP Platform chapter 8 para 83.
- ²¹ Abolishing the AWA system allows union entry into former AWA workplaces for recruitment purposes.
- ²² ALP Platform chapter 7 para 35.
- ²³ ALP policy between 2001 and 2004 advocated a new 0.1% payroll tax. The 2007 ALP Platform and Resolution says additional costs on employers should be minimised, not payable where funds are protected by trusts, and small business is protected from increased costs, see ALP Resolution para 24.
- ²⁴ ALP Resolution paras 27 and 43.
- ²⁵ ALP Resolution para 35.
- ²⁶ Unions can make claims on 'whatever matter suits them' see ALP policy p14; see also ALP Platform chapter 7 para 37.
- ²⁷ In 2010. Labor's new industrial tribunal will have a building industry division, see ALP policy p17, Implementation Plan para 24.
- ²⁸ ALP policy pp19-20, but ALP will extend the qualifying period before claims can be made from 6 months to 12 months in businesses of fewer than 15 employees.
- ²⁹ See ALP policy p19.
- ³⁰ New tribunal commences from 2010, see ALP policy p31. ALP has proposed an appointment consultation process.

Melbourne Office

Level 3, 486 Albert Street
 EAST MELBOURNE VIC 3002
 PO Box 18008 Collins Street East
 MELBOURNE VIC 8003

Phone: 03 9668 9950 • Fax: 03 9668 9958 • Email: melb@melb.acci.asn.au
 Web: www.acci.asn.au