



## **IR Bill opens enterprise to coercion across entire industries**

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Our economy is struggling, trying to stave off recession as inflation, interest rate rises and slumping confidence take hold.

Now thrown on to the pile of pain points comes a series of proposals from the Federal Government, cheered on by the unions, that open our enterprises to coercion, more industrial action, centralised control and fewer protections for employers.

The proposed guardrails to limit union action or protect employers are wholly inadequate. Hearing unions say they don't want more strike action in pursuit of unsustainable wage increases is like a bear saying it doesn't want to eat the honeypot.

With this legislation as it stands, the incentives for businesses to grow, innovate, take risks, employ and invest recede by the day. Our national economy will be poorer for what is an attempt to take us back to a 1970s system of workplace relations where employers operate within a tightening straitjacket of command and control.

Our enterprises, large and small, have been in the engine room of our sustained prosperity for over 30 years. At the heart of that prosperity has been the ability for employers and their workforces to negotiate the best mutual wage outcome for them.

The system is not perfect, but it doesn't need radical surgery to repair. Putting a union gun to the head of employers is not going to achieve the sustained and sustainable wage outcomes we all want.

The legislation as introduced is fundamentally flawed and, at the least, needs urgent review. Significant amendments are crucial. The six-week consultation process for employers has been like wrestling smoke. No written details or firm proposals were

put forward for consideration until less than a week before the legislation was tabled. Employers did not see the final legislation before it was introduced.

At no time were employer and union representatives brought together for meaningful discussions. Now we apparently have until 17 November to try to fix a mess in order to fit a political agenda.

So where do the proposals fail the pub test?

- The proposed expansion of multi-employer bargaining and an accompanying right to strike in support of such agreement go too far and must be abandoned. The government-funded care sector such as aged care, child care and the disability sector was the original centre of union calls for multi-party bargaining. Then union leaders across mining, transport, finance and others piled in. Seven weeks after the Jobs and Skills Summit, unions now have much greater rights to strike across broad sectors of the economy for unsustainable wage increases impacting businesses large and small.
- There is no mechanism in this legislation to improve productivity which will give us the sustainable growth in output and wages we all want.
- The Bill would radically upend bargaining by giving the Fair Work Commission expanded powers to set wages and conditions where the parties haven't reached an agreement. Unions will be encouraged to engage in the predictable strategy of pursuing unreasonable bargaining claims knowing they can ask the Commission to "arbitrate" any matter the employer does not accept. It will take us back to a time of centralised wage fixing that Australia can ill afford in a modern and open economy.
- The Bill proposes changes to the existing right of employees to request flexible work arrangements which will expose employers to costly litigation over rostering and work arrangements. The proposals are a solution looking for a problem. The evidence is that, overwhelmingly, employers and employees already successfully reach agreement over requests for flexible work arrangements.

At the very least, this proposal will alarm many small employers who can ill afford to spend time and resources arguing before an industrial tribunal about matters that should be resolved at the workplace.

Industry-wide bargaining and a centralised industrial system belong to an era of tariff walls, fixed currencies, picket lines and secondary boycotts. They have no place in a modern outward looking economy working hard to resist a global downturn.

The Government says it is open to amendments. This is welcome. There is a lot that can be done to make the system more efficient. Employers look forward to meaningful discussions with the government and unions to try to do just that.