

MEDIA RELEASE

27 February 2015

Fair Work appointments in 2015 must come from business background

The resource industry employer group - AMMA (Australian Mines and Metals Association)

WITH eight vacancies likely to arise within the Fair Work Commission (FWC) in 2015, AMMA calls on the Abbott Government to address the overrepresentation of ex-trade union officials in the national employment tribunal and appoint new members with strong business credentials.

In a Senate Estimates hearing [this week](#), Employment Minister Eric Abetz indicated FWC appointments are on his agenda and AMMA says there is an opportunity to address an imbalance within the tribunal.

"It's well noted that the previous ALP government engaged in a highly political restructure and appointment process of the FWC, appointing 27 new members with two-thirds being active in ALP or union activities," says AMMA chief executive Steve Knott.

"There is now a distinct lack of business experience in the tribunal, with a minority of FWC members having had any real life experience in actually running a business be it small, medium or large. It is also a concern to see Full Benches comprising entirely of ex-union/ALP aligned tribunal members.

"The Fair Work Act provides a great deal of discretionary powers to tribunal members and getting initial decisions overturned on appeal is incredibly difficult and incredibly expensive.

"Many AMMA members routinely complain that whenever they are before an ex-union/ALP aligned tribunal member, they seldom receive a determination that finds in favour of the employer's right to run their business and make management decisions."

At the end of the Keating/Howard era (1991-2007), the FWC comprised 49 tribunal members. 15 came from trade union or ALP backgrounds, 13 had employer or business backgrounds, and 21 were from the legal fraternity or public sector. The Rudd/Gillard/Rudd governments then made 27 appointments in just six years, 19 of which came from ALP or union backgrounds.

These appointments also came amid the unedifying demotion of two longstanding tribunal Vice Presidents, representing the first time since federation that an incoming government has demoted existing VPs of the tribunal in favour of its own appointees. Conflicting commentary ensued about whether this restructure was sought by the FWC President or then-workplace relations minister Bill Shorten.

"It is well beyond time to ditch the old 'IR Club' approach. New appointments to the FWC should be more representative of modern day businesses and cognisant to the fact that these days only 12% of private sector employees choose to join a union," Mr Knott says.

"We call on the government to appoint tribunal members with the business skills needed to drive employment growth, lift workplace productivity and enhance existing jobs within our modern economy.

"After having great difficulty in getting some parts of its workplace relations agenda through the Senate, these appointments represent a chance for the government to greatly assist the Australian business community without needing legislative approval."

As a further measure to improve tribunal decision making, AMMA continues to advocate for the creation of a new specialist IR appeals body, separate and independent of the current FWC.

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