



# Surprise IR plan to scrap award reviews

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The Turnbull government is set to introduce new industrial relations laws that will scrap reviews of employment conditions in awards and boost powers to investigate alleged misconduct of Fair Work Commission members.

The legislation, not announced before the election and agreed to in a joint-party meeting on Tuesday, will also remove strict technical requirements that allow unions to overturn non-union enterprise agreements because employers referred to the wrong phone number or website.

Senator Michaelia Cash has written to opposition employment spokesman Brendan O'Connor seeking his support for the changes, which it will introduce in the next four weeks.

The move could be considered a signal the government is open to industrial relations reform beyond what it promised before the election, although it has been careful to pick changes that are likely to score bipartisan support.

According to the minister's letter, obtained by *The Australian Financial Review*, the government has agreed to end the Fair Work Act's four-yearly review of 122 industry awards after

business groups and unions complained it had become a drain on their money and resources.

In most cases a modern award acts as the benchmark pay and conditions for a particular industry. All workplace enterprise agreements must negotiate above this award.

Despite kicking off the review in 2014, the Fair Work Commission is not expected to complete the process until 2018 - when it will then be required to conduct another review.

The legislation will allow the current

review to continue - including deciding on proposals to cut penalty rates in retail and hospitality. But under the new rules, future changes will be made primarily when a party, such as a union or employer group, requests it.

The government will also extend judges' misconduct rules to Fair Work Commission members in response to the scandal that engulfed former Fair Work vice-president Michael Lawler last year.

The changes will allow for parliament to appoint ad-hoc commissions with investigative powers to report on alleged misconduct of Fair Work members.

Senator Cash said she wanted to give the commission discretion to overlook minor errors in bargaining notices "as long as employees are not disadvantaged".

The changes follow the Maritime Union of Australia recently overturning non-union agreements in the offshore oil and gas industry because the employers referred to the phone number of the Fair Work Ombudsman, not the commission.

ACTU president Ged Kearney has previously criticised the government as "happy to amend the law so that big companies no longer even have to be 100 per cent compliant on workplace laws".

"There are substantive issues with companies exploiting loopholes in the Fair Work Act to drive down wages and strip workplace protections yet the Turnbull government's is only interested in changing the law to give a free pass to company bosses who fail to fill in forms properly."

Mr O'Connor said Labor supported the repeal of four-yearly reviews "in principle".

"However, we will examine the Bill

with a view to attending to other problems in the Fair Work Act."

Australian Mines and Metals Association chief executive Steve Knott said "it makes sense for the government to pursue these changes given they are uncontroversial". But he urged the government to go further and take on "much-needed fundamental reforms" to "place the nation in the best possible position to avoid a looming recession".

"It is beyond belief that the current federal LNP government, like the ALP, have no meaningful plans to make the case for substantial industrial relations reforms," he said.

The government's fresh industrial relations push came as the Senate was expected to vote on Wednesday night to reduce the deadline for compliance with the Australian Building and Construction Commission's new building code.

The legislation will block hundreds of builders from being awarded Commonwealth-funded work if they have enterprise agreements with prohibited "union friendly" clauses.

## Key points

**Legislation will remove loophole of strict technical compliance.**

**The government is focusing on changes with bipartisan support.**

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