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Wanted: 21st Century business experience at Australia's IR tribunal

Handing the Fair Work Commission expanded powers to set terms and conditions within Australian workplaces is set to expose a glaring capability gap – next to nobody in the nation's employment tribunal has any experience running a 21st Century business.

Steve Knott AM, Chief Executive of the Australian Resources and Energy Employer Association (AREEA), notes of the 39 members of the FWC only one has managed a substantive private sector business.

This is especially troubling with the FWC set to wield unprecedented influence over Australian workplace outcomes including matters that are the primary domain of management.

“The Fair Work Commission needs an urgent injection of real-life experience managing modern, sophisticated businesses,” Mr Knott said.

“As it presently stands, the Albanese Government is encouraging the FWC to encroach further into the realm of management decision making with a cohort of people who have never run a business.

“The FWC telling managers how to run their businesses is akin to getting your driver's licence from someone who has never driven a motor vehicle.

“If the Government is intent on throwing the keys of Australian businesses to an administrative tribunal - a failed experiment from last century - they should at least ensure those wielding such power have some modern business experience.”

While the economic case is clear, Mr Knott says the “signs aren't great”, with Minister for Employment and Workplace Relations Tony Burke having publicly stated his intention to “rebalance” the FWC.

The appointments announced to date have included that of a new President and the promotion of a Commissioner to Deputy President, both of whom have past links to trade unions and the ALP but lack private sector business management experience.

“The Albanese Government faces a real test in whether it will continue the politics of stacking and re-stacking the IR tribunal,” Mr Knott said.

“This commenced in the Hawke-Keating era when various union amalgamations saw pressure on the ALP to find homes for surplus union officials. The practice has since continued unabated.

“In our modern-day economy facing serious modern-day challenges, this has to stop. Our national IR tribunal needs the best candidates, irrespective of whose ‘side of politics’ they might align with, and the most important criteria is relevant, proven business experience.

“AREEA, like many, will watch the next round of FWC appointments with great interest. We encourage the government to think about what's best for the national interest instead of following the past predictable pattern of rubber stamping the ACTU's list of preferred FWC candidates.”

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