AUSTRALIAN RESOURCES & ENERGY EMPLOYER ASSOCIATION

MEDIA RELEASE

23 JULY 2026

New Fair Work Court won't fix broken IR system

Without meaningful reform to the underpinning industrial relations laws, a new standalone Fair Work Court will simply add another layer to a system that is already too complex, says AREEA.

Reacting to the Albanese Government's announcement today, AREEA Chief Executive Steve Knott AM said a proposed new industrial court does nothing to fix whether the rules are balanced, simple to understand and easy to administer in the first place.

"Australia has been here before: a separate federal industrial court was abolished in 1997 precisely because it duplicated existing courts without adding value," Mr Knott said.

"Inserting a new institution between the Fair Work Commission and the federal courts risks more jurisdictional complexity, not less.

"Businesses of all sizes and across all sectors will continue to be exposed to the costs and productivity impacts of defending claims that should never have been brought. The substance and the process must be addressed together, and getting the settings right should come first."

Mr Knott said AREEA wants the same outcome the Government says it wants – a workplace dispute system that is faster, simpler and less costly. AREEA has argued for years that the system has grown too slow and too legalistic, with its members routinely bearing the burden of delay and cost.

Priority reforms include an awards system simple enough to follow; an end to the extreme administrative load on employers of salaried staff; laws that back employers who discipline or dismiss for valid reasons; and a filing fee meaningful enough to deter speculative claims.

Mr Knott also said the business community will have a well-founded scepticism on who the Albanese Government proposes to appoint to its new Fair Work Court.

"Since forming Government in 2022, the ALP has appointed 22 new members to the Fair Work Commission, all but one coming from trade unions or Labor-aligned law firms," Mr Knott said.

"After an appointments record like this one, business would be right to ask whether a new industrial court would meet that test or simply extend the ALP's recent trend of partisan appointments. Judges would need to be highly credentialled, non-partisan and with a strong history of applying workplace law equally across employers and employees.

"In either case, the multi-million-dollar costs involved in establishing and running such a court, replete with lifetime judicial pensions for retired judges, is in AREEA's view an unnecessary burden for already stretched Australian taxpayers."

AREEA welcomes the Government confirming there will be substantial consultation before any legislation and will engage constructively to ensure any reform genuinely addresses systemic problems.

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