

## INQUIRY INTO IMPACT OF COMMONWEALTH WORKCHOICES LEGISLATION

**Organisation:** Local Government Association of NSW & Shires  
Association of NSW

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**Theme:**

**Summary**



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(David Gibson)

SOCIAL ISSUES COMMITTEE  
- 2 JUN 2006  
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The Director  
Standing Committee on Social Issues  
Parliament House  
Macquarie Street, Sydney 2000

29 May 2006

Dear Ms Burnswoods,

#### INQUIRY INTO THE IMPACT OF COMMONWEALTH WORK CHOICES LEGISLATION

The Associations thank the Standing Committee on Social Issues for the opportunity to contribute to the examination on the impact and effects of the Workplace Relations Amendment (Work Choices) Act 2005.

The Associations support and represent local councils in NSW by providing many specialist services including industrial relations, legal and policy advice, specialist publications and industry purchasing discounts. Through their activities, the Associations also promote and publicise the views of local government.

In August 2005, the Associations' Executives resolved to express their opposition to the Federal Government's proposed workplace reforms on the following basis:

- (i) the complexity and legal nature of the proposed reforms;
- (ii) the limitation of the dispute resolution powers of the Australian Industrial Relations Commission (AIRC); and
- (iii) the potential that councils may be exposed to an array of claims in other jurisdictions.

Further, at its Annual Conference held in October 2005, the Local Government Association of NSW (the LGA) resolved to express opposition to the following aspects of the proposed reforms:

- the use of the corporations powers as the foundation of the workplace relations legislation. It is the view of the LGA that the proposed reforms will lead to uncertainty and additional cost due to their complex and legal nature;
- the diminished role of the Australian Industrial Relations Commission (AIRC) under the reforms. Councils will not have the benefit of assistance from a third party experienced in employment related matters due to the limitations placed on the AIRC's dispute resolution powers. As a result, it is expected that councils will be exposed to an array of claims in non industrial jurisdictions – such as common law, anti discrimination and occupational, health and safety claims;
- the use of Australian Workplace Agreements and their potential misuse. The LGA supports the right of Australian workers, such as those employed by Boeing Australia, at the RAAF Base at Williamstown, to choose a collective agreement and to be represented by a trade union if the workers decide that it is in their best interests. Individual employees with less bargaining power will enter into agreements with reduced real pay and conditions and where these agreements will not be subject to scrutiny by the AIRC;
- council staff may be transferred from a state to a federal award, limited in its scope to the allowable matters;
- there will be an end to skills based career structures, annual salary progression and the ability to improve wages to recognise changes in work value and pay equity;
- loss of job security and an increase in the casualisation of the workforce;
- protection from unfair dismissal will not be available to employees in workplaces where less than 100 employees are engaged.

At this relatively early stage in the Workchoices transitional period, the Associations are not able to supply evidence demonstrating that their anticipated concerns have in fact become practice. With specific reference to the experience of NSW Local Government thusfar, it is advised that on the whole, Work Choices has not had an immediate impact on the working conditions of council employees, that is their wages, entitlements and security of employment. This current stability is a consequence of a number of factors:


- the industry was covered by a single State based award and a small number of enterprise agreements prior to Work Choices leading to an orderly transition to council based NAPSA's and PSA's where councils are deemed to be constitutional corporations;

- the Associations and industry unions have agreed to maintain industry arrangements for resolving disputes at the local level and have endorsed model referral agreements to assist in the resolution of industrial disputes in accordance with section 146A of the NSW Industrial Relations Act 1996; and
- the Minister for Industrial Relations, the Hon John Della Bosca MLC and the Minister for Local Government, the Hon Kerry Hickey MP have urged councils to “... *defer any consideration of Work Choices legislation until the completion of the High Court proceedings...*”

Notwithstanding, the Associations support ongoing review and monitoring of the wide range of industrial and award arrangements that will undoubtedly undergo fundamental change and the impact of this change on workers and their conditions.

Please do not hesitate to contact the Associations’ David Gibson on 92424000 should you require further advice on the progress of Work Choices and its impact on NSW Local Government in the future.

Yours faithfully



Bill Gillooly AM  
SECRETARY GENERAL