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6 April 2017

Your Ref:

Our Ref: JB:AJB:16/16141/34

By email: eec.sen@aph.gov.au

Committee Secretary
Senate Education and Employment Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017 6 April 2017

I am writing to you to in relation to your Committee's inquiry into the Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017 and to confirm the position of the National Road Transport Association (NatRoad) in relation to the modern award review process.

As you will be aware, the current modern award review, which has been ongoing since 1 January 2014, is a mandatory process prescribed by section 156 of the Fair Work Act 2009 (Cth) (the FW Act).

While modern awards provide a critical safety net for workers and offer important guidance and support for many employers, particularly small business employers, the mandatory four-yearly review of those awards, is incredibly expensive, time-consuming, and resource-intensive for both employer and employee associations.

NatRoad notes that both the Ai Group and the Australian Chamber of Commerce and Industry (ACCI), together with the Australian Council of Trade Unions (ACTU), wrote to Minister Cash in December 2016, seeking her support in abolishing the compulsory four-yearly review process ahead of the commencement of the next scheduled review on 1 January 2018. In support of those representations they cited the difficulties and expense associated with what is essentially a continuous award review process.

In NatRoad's view also, repeal of section 156 of the FW Act and the consequent elimination of mandatory reviews, would not only foster improved productivity but would also ensure significant cost savings for business as well as employer and employee associations.

The cost to our members of NatRoad's participation in the current review process is presently in the order of \$250,000. We estimate that our total costs will approach \$400,000 by the end of the review process in late 2017.

We understand, unofficially, that another large employer organisation has, to date, incurred costs of more than \$1 million (not including travel and accommodation) to participate in this modern award review. These sorts of ongoing costs to business and industry are unsustainable.

As sections 157 and 160 of the FW Act provide alternative mechanisms to vary the modern awards, amending the FW Act to remove the requirement for the mandatory four-yearly review would provide a sensible and cost-effective way forward. These sections would still provide an avenue to allow the maintenance and development of modern awards in a way which ensures they remain relevant and affordable to contemporary Australian workplaces and employers.

Thank you for considering our position in support of removing the requirement for the Fair Work Commission to undertake four-yearly reviews of the modern award from the FW Act.

Yours sincerely,

Warren Clark
Chief Executive Officer