



12 November 2012

Committee Secretary
Senate Education, Employment and
Workplace Relations Committees
PO Box 6100
Parliament House
CANBERRA ACT 2600

Sent via email to: ewer.sen@aph.gov.au

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Dear Secretary,

Master Electricians Australia (MEA) is grateful for the opportunity to provide a submission into the Senate Education, Employment and Workplace Relations Committees' Inquiry into the *Fair Work Amendment Bill 2012*.

Master Electricians Australia Ltd (MEA) is a not-for-profit organisation that provides a national accreditation program to electrical contractors seeking to differentiate themselves from other contractors - similar to that process adopted by Master Builders within the construction industry. MEA is part of the ECA Group of Companies and operates nationally. The organisation's website is: <http://www.masterelectricians.com.au>.

The **Electrical Contractors Association (ECA)** is the leading voice of the electrical industry and is committed to improving and advancing this sector. ECA is registered as an industrial organisation under Queensland legislation with its operation in Queensland. The association's website is: <http://www.masterelectricians.com.au/page/ECA/>

References to MEA and opinions expressed by the MEA, within this submission, should be read as both Master Electricians Australia and the Electrical Contractors Association.

Overall, MEA does see value in the majority of the amendments proposed in the *Fair Work Amendment Bill 2012*. However, we are concerned about the planned changes to s172(6) of the *Fair Work Act 2009 (the Act)* that will prohibit the making of enterprise agreements with a single employee. We believe that such a change is unfairly targeting small businesses, the majority of whom have less than three employees. As an employer association representing electrical contractors, close to 60% of whom have less than three staff, we understand how important enterprise agreements can be to the owners of small businesses. These amendments will deny these employers the opportunity to increase their productivity through collective bargaining. While we certainly understand the importance of ensuring the integrity of collectively bargained terms and conditions of employment, this approach will place a significant burden on small business owners who are already struggling to remain profitable in a volatile economy.

Small business is integral to the continued strength of the Australian economy. Statistics from the Department of Innovation, Industry, Science and Research (DIISR) indicate that small business accounts for 95.6% of businesses actively trading in Australia, with businesses employing four or less staff accounting for 84.2% of these small businesses. DIISR figures also indicate that small businesses employ close to 4.8 million people throughout Australia, amounting to almost half the total number of Australians engaged in employment. Denying these small businesses the right to make enterprise agreements with a single employee could have a significant impact on productivity and threaten their very survival.

As a more appropriate measure, MEA suggests limiting the application of section 172(6) of *the Act* to Proprietary Limited companies with more than one employee and include a specific exemption for partnerships and sole traders. This approach will still preserve the integrity of collective bargaining and enterprise agreements, without unfairly burdening small business.

MEA is optimistic that the changes to the Fair Work Act will ensure a fair and equitable workplace relations framework for workers as well as industry. Small business is undoubtedly the lifeblood of the Australian economy and we urge government to ensure the interests of these employers are taken into consideration in the development of workplace laws.

Yours sincerely,

Jason O'Dwyer
Workplace Relations Manager