

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2 and 3 NOVEMBER 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 2: Higher productivity, higher pay workplace

Output Group 2.1: Workplace relations policy and analysis

Output 2.1.2: workplace relations legislation development

Question Number: W621-06

Question:

Senator Marshall asked in writing:

It was reported in *The Bulletin* on 27 July that a media advisor to Minister Andrews, Ian Hanke said that ‘the government is also preparing a new IR law on independent contractors’. Could the Department explain why a new law on independent contractors was been prepared **prior** to the tabling of the report on labour hire and independent contracting by the House of Representatives standing committee.

Answer:

The Government stated in its 2004 election policy entitled *Protecting and Supporting Independent Contractors* that it would establish an Independent Contractors Act to ‘enshrine and protect the status of independent contractors’.¹ The policy committed the Government to:

- enacting an Independent Contractors Act that will maintain the legal status of independent contractors;
- protecting the freedom of contractors to bargain with their principals;
- preventing the workplace relations system being used to undermine the rights of independent contractors; and
- preventing unions from seeking orders from the Australian Industrial Relations Commission which would impose limits, constraints or barriers on the freedom of independent contractors to contract.

To advance the Government’s election commitment, the Department of Employment and Workplace Relations released a discussion paper in March 2005 entitled *Proposals for Legislative Reform in Independent Contracting and Labour Hire*

¹ The Howard Government Election 2004 Policy *Protecting and Supporting Independent Contractors*, page 3.

Arrangements. This paper put forward a series of reform options and called for stakeholder comments on issues relating to independent contracting and labour hire.

Drafting of the proposed Independent Contractors Act did not occur before the tabling of the House of Representatives Committee report entitled *Making It Work: Inquiry into independent contracting and labour hire arrangements* on 17 August 2005, as the Government undertook to consider both the outcome of the Committee's inquiry and the responses to the discussion paper in drafting the proposed Independent Contractors Act.