

WORKPLACE RELATIONS AMENDMENT (PROTECTING THE LOW PAID) BILL 2003

SECOND READING SPEECH

The Bill proposes that the objects of the Workplace Relations Act be amended to specify a primary focus on the low paid and their needs in adjusting the safety net.

It is the intention of the Workplace Relations Act 1996 that awards should provide a safety net of fair minimum wages and conditions without discouraging agreement making for award workers above that safety net. The federal workplace relations system is now firmly focused upon the setting of wages and conditions of employment at the enterprise level. Agreement making gives employers and employees the opportunity to increase the productivity and competitiveness of Australian enterprises. This in turn ensures a stronger and more resilient economy with healthier employment prospects. In this way agreement making at the workplace level offers rewards for employees, employers and for Australia as a nation.

A key part of the principal object of the Workplace Relations Act is that actual wages should, as far as possible, be determined by bargaining at the workplace or enterprise level. A central feature of the legislative framework is the Australian Industrial Relations Commission's role in encouraging bargaining. Decisions of the Commission on the adjustment of rates of pay in awards need to be consistent with and reinforce the safety net role of awards. This is important to ensure genuine safety net standards, to encourage agreement making and to meet overall economic objectives.

This Bill is part of the Government's continuing effort to protect the employment prospects of the low paid and to reduce the prospect of unemployment for vulnerable low-skilled workers. While unemployment has fallen substantially from the highs of the early 1990s and Australia is weathering the economic effects of international uncertainty, many people still find it difficult to gain employment.

The Bill proposes that the objects of the Workplace Relations Act be amended to specify the needs of the low paid as a primary focus in adjusting the safety net. It is further proposed that section 88 of the Workplace Relations Act be amended to require the Commission to consider the following matters when adjusting the safety net:

- the primary consideration of the needs of the low paid, including their need for employment
- the employment prospects of the unemployed; and
- the capacity of employers to meet increased labour costs.

In introducing this Bill the Government is demonstrating its ongoing commitment to maintaining a safety net of minimum wages and conditions for low paid employees, as well as enhancing the employment prospects for the low-paid, low-skilled and unemployed. The Bill is also consistent with the Government's commitment to create an appropriate framework for pay and working arrangements to be determined at the workplace level.