

Chapter 1

Introduction

Background

1.1 On 10 May 2007, the Senate referred the *Workplace Relations Amendment (A Stronger Safety Net) Bill 2007* to the Employment, Workplace Relations and Education Committee for examination upon its introduction in the House of Representatives. The bill was introduced into the House of Representatives on 29 May 2007. The committee was ordered to report its findings by 14 June 2007.

Purpose of the bill

1.2 The purpose of the bill is to amend the *Workplace Relations Act 1996* to introduce an additional fairness test for workplace agreements and establish two new statutory agencies—the Workplace Authority and the Workplace Ombudsman. The Workplace Authority will be required to conduct the fairness test to ensure that award conditions such as penalty rates are not traded off in workplace arrangements without adequate compensation. A more robust compliance framework will also be introduced and administered by the Workplace Ombudsman to ensure effective operation of the fairness test.

1.3 The stronger safety net will be extended to over 7.5 million Australians making workplace agreements. It will build on the workplace relations reforms undertaken in 1996 and 2006 but will not change the fundamental thrust of those changes, which have been aimed at improving flexibility in employment arrangements. The fairness test was introduced because it was never the intention of the Government that it become the norm for protected award conditions such as penalty rates to be traded off without compensation. The legislation is aimed at assuaging these concerns, which have emerged in the community following negative advertising campaigns that have little foundation in fact.

Submissions

1.4 The committee advertised the inquiry in *The Australian* newspaper on 16 May 2007, inviting submissions by 4 June 2007. Details of the inquiry, the bill and associated documents were available on the committee's website. The committee also directly contacted the Department of Employment and Workplace Relations and various employer groups, industry organisations, unions, stakeholders, commentators and academics to invite submissions to the inquiry.

1.5 The committee received 28 submissions, which are listed at Appendix 1. Submissions were posted to the committee's website to ensure accessibility by members of the public and interested stakeholders. The committee held a public hearing in Canberra on 8 June 2007. The list of witnesses is at Appendix 2 and copies

of the Hansard transcript are available through links at <http://www.aph.gov.au/hansard/index.htm>.

Acknowledgement

1.6 The committee thanks those organisations and individuals who made submissions, gave evidence at the public hearing and otherwise assisted with the inquiry.