

Mr John Carter, Secretary
Senate Education, Employment and Workplace Relations Committee
Department of the Senate
PO Box 6100 Parliament House
Canberra ACT 2600

Dear Sir,

I understand submissions to the inquiry are due by 29 February with particular reference to:

- a. economic and social impacts from the abolition of individual statutory agreements;
- b. impact on employment;
- c. potential for a wages breakout and increased inflationary pressures;
- d. potential for increased industrial disputation;
- e. impact on sectors heavily reliant on individual statutory agreements; and
- f. impact on productivity.

On behalf of the Master Plumbers' Association of Queensland I wish to make some brief points and if time permits address the committee when it meets in Brisbane on 10th March.

The experience of the Association has been that a weakness in the previous system was the use of the AWA terminology and how some individuals became concerned unduly as a result of negativity, hype and anti-WorkChoices promotion. Our focus therefore was to look at the motivation behind individual registered agreements and the benefits derived by the parties. A brief overview of some of these points follows.

- an important issue for both employers and employees was the benefit of keeping arrangements between themselves (even if external bargaining agents were available)
- employers were still able to have a common document amongst employees – AWAs are individual, not necessarily unique documents
- different classifications of employees can have their own style of document that states the terms and conditions of their employment
- individual agreements often have significant statements about the organisations' culture and policies, that the employee reads and signs - this is a significant Human Resource strategy to reinforce an employee's understanding of what is expected of them and the employer's obligations towards them
- individual agreements provide a way of legalising what happens so often in the workplace (ie) one on one arrangements agreed between the boss and the worker as the award system does not suit many employees and yet employers can not contract out of them. Individual agreements provide a way for the employer to have legitimate arrangements with their employees, this is also a useful retention strategy

- collective agreements have been around for many decades and while it is now easier to get such arrangements registered (no need to go to the IRC/AIRC) their take up with small employers has been relatively low
- once commenced, the AWA process allowed the employer to not have to engage with the Union in discussions about collective agreements, the Aldi case is the most famous, individual agreements can be offered with a common nominal expiry date, but often do not, therefore the employer does not ever have to engage in any form of collective negotiation with employees and
- with labour and skill shortages employers have benefited from having the flexibility to agree to potential employees' requests (eg) higher hourly rates or more flexible work arrangements without those benefits impacting on all other conditions of employment which may not be so highly valued by the potential employee but which may provide some offset of value to the employer.

Simple, easy to understand individual registered agreements made it easy for many contractors in the plumbing industry to engage workers as employees and not as sub-contractors. The worker and the employer were both able to benefit economically from this. It had the effect of giving workers surety of employment which could be relied upon for home mortgages etc and ensured additional benefits such as superannuation and workers compensation were paid. It also gave employers greater continuity of their workforce.

Without the flexibility of individual registered agreements, micro business operators may seek to engage workers on sub-contract arrangements again or simply revert to base award arrangements where they put themselves at legal risk by agreeing to arrangements with employees which may not comply with the award, notwithstanding the employees request to do so.

Thank you for considering our comments.

Kind regards

Adrian Hart

Executive Director

Master Plumbers' Association of Queensland

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