



29 February 2008

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

Email: eet.sen@aph.gov.au

Dear Mr Carter,

Re: Inquiry into the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008.

The AMWU supports and adopts the submission made by the ACTU to the above Inquiry. We note the Bill's effect is difficult to assess in the absence of the key instruments (the Main Bill and finalised national employment standards) with which the Bill interacts and is contextualised.

The AMWU applauds the dissolution of the AWA stream. The recent review of AWAs established that:

- shift loadings were removed in 70% of AWAs
- annual leave was removed in 68 % and
- penalty rates disappeared in 65% (*reported AFR, 20.02.08*)

The AWA stream is inconsistent with the operation of a stable safety net of minimum employment conditions. The recent AWA review cited above is evidence of a flourishing inequality between the bargaining positions of many individual employees and their employers. In this regard we note that the Bill's inclusion of Individual Transitional Employment Agreements (Iteas) is also inconsistent with a stable safety net.

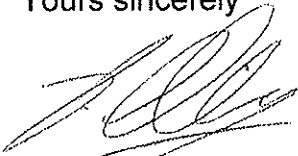
The Bill's inclusion of ITEA's is particularly problematic in relation to the global no disadvantage test (NDT) referenced in s.346D of the Bill. The NDT is a low bar when rates contained in Australian Pay and Classification scales forming part of the NDT are, in many cases, significantly lower than an employee's base rate of pay. In this circumstance the NDT provides little protection to an employee and could facilitate a loss of pay.

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Our submission is that “ fair minimum wages for all employees” (576J of the Bill, paragraph 41 Award Modernisation request @p.81, Explanatory Memorandum) must include a review of the relevancy of minimum wage and classification structures and their function in providing a stable, effective safety net for employees, including their role as an integral component of the NDT.

Our concerns regarding individual agreement making also arise in the context of the proposed award flexibility clause. (Paragraph 20, Award Modernisation Request @ p.79 Explanatory Memorandum). Adequate safeguards will be required to ensure that enabling individual agreement making under an award does not compromise the safety net and wages and conditions of both the individual and the majority of employees in the workplace. Our comments above regarding the efficacy of the NDT as an adequate safeguard apply equally to agreements arising under award flexibility provisions

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dave Oliver', with a stylized flourish at the end.

DAVE OLIVER
NATIONAL SECRETARY