

WHAT THE PRODUCTIVITY COMMISSION WORKPLACE RELATIONS FRAMEWORK - DRAFT REPORT MEANS FOR YOUR BUSINESS

There has been much media interest and publicity in the last few days as a result of the publication by the Productivity Commission of their Workplace Relations Framework - Draft report ("**Draft report**"), which was released on **4 August, 2015**.

In December 2014, the Federal Government commissioned an inquiry by the Productivity Commission into the operation of the Fair Work laws. The Productivity Commission was tasked with assessing the performance of the workplace relations framework, focusing on key social and economic indicators important to the well-being, productivity and competitiveness of Australia and its people.

THE PROCESS

The Draft report and terms of reference of the inquiry require the Productivity Commission to undertake an appropriate public consultation process including holding hearings, inviting public submissions and releasing a Draft report.

The public will also have an opportunity to make submissions on the Draft report and provide further information to the Productivity Commission before a final report is provided to the Government in November 2015.

Written public submissions are due by 18 September 2015 and details can be accessed via the following link: www.pc.gov.au/inquiries/current/workplace-relations#draft.

WHAT THE MEDIA IS REPORTING

Despite the fact that only a **draft** report has been published, the media appears to be suggesting that preliminary recommendations made in the report are actually, firstly, going to be accepted by the Government, and, secondly, actually change the current legal position. This is most prevalent in the media coverage of the recommendation regarding penalty rates, and, in particular, the treatment of Sunday penalty rates. The Union movement and Labor Party have also focused on the issue of penalty rates and a recommendation that more individual flexibility be allowed in enterprise agreements. The Union movement and Labor Party are also now suggesting there will be a return to Work Choices type laws and have relied upon the discussion in the Draft report that employers be able to offer a new type of enterprise agreement called an enterprise contract. It should be noted that the Draft report merely calls for information from the public on this point and does not even make a draft recommendation.

THE REAL POSITION

The report is only a **draft** report, and is part of the ongoing inquiry by the Productivity Commission. The Draft report and even the final report that will be created and provided to the Government in November have no legal force or effect. The matters raised in the Draft report and the recommendations made are merely designed to obtain feedback and further the consultation process. There will be no changes to any employment or industrial laws as a result of the Draft report. It will remain to be seen, whether in the fullness of time any recommendations made in the final report are accepted by the Government and eventually become law.

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WHAT EMPLOYERS SHOULD DO

Employers should continue to run their businesses in a manner that conforms to the current legal requirements, and strive to ensure that increases in productivity are achieved through best practice management and leadership.

Harmers Workplace Lawyers can assist in this regard by offering training for managers to ensure quality leadership and compliance with relevant workplace laws.

Employers should not panic as a result of the various recommendations made in the Draft report or the media coverage surrounding it. It should be treated as an opportunity for employers to make submissions either in support of the draft recommendations or against them. If you wish to do so, we would be happy to assist you.

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