

Workplace Relations Reforms Proposed by Australia's New Labor Government

Australia – June 2022

The Australian Labor Party (Labor), led by Anthony Albanese, has formed the new government of Australia after their success in the 2022 federal election. In various speeches and policy documents released this year, Labor has made pledges to change various aspects of workplace relations law. Set out below is an overview of the main areas of reform that Australia's new federal government has planned for Australian employers and employees.

Job Security	Labor will look to enshrine secure work as an objective of the Fair Work Act 2009 (Cth) (FW Act) by adding job security as one of the matters that the Fair Work Commission (FWC) is to consider when making decisions.
	Labor will also look to introduce a "Secure Australian Jobs Code" to establish guidelines with respect to:
	The fair treatment of workers, including with respect to job security
	Fair and reasonable wages and conditions
	Ethical and sustainable practices, such as ensuring environmentally sustainable outcomes
	Compliance with the Workplace Gender Equality Act 2012 (Cth)
	The consideration of local industry workforce capability and capacity, particularly in regional Australia
Casual Employees	Labor has plans to amend the definition of "casual employment" recently introduced into the FW Act, and legislate an objective test to determine when a worker can be classified as "casual". The aim of this policy is to provide casual employees with a clearer pathway to permanent work and reduce the issue of insecure work.
Gig Workers	Labor will seek to extend the powers of the FWC to include "employee-like" forms of work. This will allow the FWC to make orders for minimum standards for new forms of work, such as gig work, and have the flexibility to determine what rights and obligations may or may not apply.
Labour Hire	Labor's "Same job, same pay" policy will introduce measures to ensure that workers employed through labour hire (or other employment arrangements, such as outsourcing) are provided with pay and conditions "no less favourable" than workers employed directly.
	Additionally, Labor seeks to introduce a new national labour hire licensing scheme, similar to those currently operating in certain states and territories, under which all labour hire providers must obtain and maintain a licence in accordance with certain conditions (including reporting obligations and compliance with workplace laws).
Gender Pay Equity	Labor has plans to strengthen the ability and capacity of the FWC to order pay increases for workers in low-paid, female-dominated industries. Gender pay equity will become an object of the FW Act and Labor will put in place a statutory "Equal Remuneration Principle" to help guide the way the FWC considers equal remuneration and work value cases.
	Two new "Expert Panels" will be set up in the FWC, one for Pay Equity and one for the Care and Community Sector, supported by a dedicated research unit. Labor will also bring forward its policy to extend and increase child care subsidies and aged care policies in an aim to increase pay in female-dominated sectors, as well as legislate the right to 10 days of paid family and domestic violence leave within the National Employment Standards.
	Labor will lead a national push to close the gender pay gap by introducing legislation that requires companies with more than 250 employees to report their gender pay gap publicly, ban pay secrecy clauses that prohibit employees from openly discussing their pay and take action to address the gender pay gap in the Australian Public Service.
Sexual Harassment	Labor proposes to implement all 55 recommendations of the Respect@Work Report on workplace sexual harassment.
	Primarily, this includes amendments to the Sex Discrimination Act 1984 (Cth) to introduce a positive duty for employers to "take reasonable and proportionate measures to eliminate sex discrimination, sexual harassment and victimisation." Labor will task the "Workplace Sexual Harassment Council" to consult with employers, workers, unions and legal experts on the design and implementation of this strengthened legal duty.

Superannuation	Labor will legislate to include a right to superannuation within the National Employment Standards, which means that Australian workers will have the power to pursue unpaid superannuation as a workplace entitlement. This change will also enable the Fair Work Ombudsman and other parties to pursue claims where workers have not received their full superannuation contributions. Furthermore, Labor has affirmed its commitment to the legislated superannuation guarantee of 12% by 2025 and, once that has been achieved, will set out a pathway to increase it further to 15%.
Union	Labor will abolish the Registered Organisations Commission and Australian Building and Construction Commission. This aims to promote collective agreements and greater union rights and representation for workers in the construction industry.
Wages	Labor will push to raise the minimum wage in line with inflation (which is currently 5.1%).
	Labor will also legislate to make wage theft a criminal offence at a federal level and consult with unions, states and territories, and employer groups to ensure that federal wage theft laws do not override existing state and territory laws.
Enterprise Bargaining	The Prime Minister has said that convening an "employment summit" would be one of his first acts to "bring employers and unions together to collaborate on secure work and to ensure enterprise bargaining works effectively".
	Labor's platform says it will improve access to collective bargaining, including where appropriate through multi-employer collective bargaining, to "prevent unilateral terminations of collective agreements that reduce workers' entitlements" and ensure agreements are negotiated by a "representative cohort of the workers to which they apply."
	Labor also proposes to promote good faith bargaining by developing appropriate guidelines, including requiring the disclosure of greater information in such processes.
Limiting Fixed- term Contracts	Labor will look to amend the FW Act to limit the number of consecutive fixed-term contracts an employer can offer for the same role, with an overall cap of 24 months and mechanisms for exceptions in limited circumstances. Following this, the employer will be required to offer the worker a permanent position for the role if the employment is to continue.
Portable Entitlement Schemes	Labor will consult with state and territory governments, unions and industry on developing, where practical, portable entitlement schemes for annual leave, sick leave and long service leave for particular industries. This would mirror current state and territory frameworks in the construction, mining and cleaning sectors.
Terminating Legacy Workchoices Agreements	Labor proposes to terminate all pre-FW Act collective agreements at a certain "drop dead date".

Our Labour & Employment team is presenting a webinar with further information about the proposed changes outlined above on 23 June 2022. Further details about the webinar, including how to RSVP, can be found here.

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