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Sent: Thursday, 30 June 2016 3:57 PM
To: AMOD
Cc: Sally Taylor
Subject: AM2014/300 Award Flexibility - Majority Clause

Dear AMOD

Please find attached the AMWU's Response to the Report on Multiple Modern Award Coverage and the Utility of Majority Clauses produced by EY Sweeney and commissioned by the Fair Work Commission.

Regards

Michael

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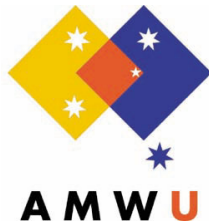
w. www.amwu.org.au



IN THE FAIR WORK COMMISSION

Matter No.: AM2014/300 Award Flexibility

Re Application by: "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)



Response of the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU) to the Report on Multiple Modern Award Coverage and the Utility of 'Majority Clauses'

4 Yearly Review of Modern Awards

COVER SHEET

About the Australian Manufacturing Workers' Union

The Australian Manufacturing Workers' Union (AMWU) is registered as the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union". The AMWU represents around 100,000 members working across major sectors of the Australian economy, including in the manufacturing sectors of vehicle building and parts supply, engineering, printing and paper products and food manufacture. Our members are engaged in maintenance services work across all industry sectors. We cover many employees throughout the resources sector, mining, aviation, aerospace and building and construction industries. We also cover members in the technical and supervisory occupations across diverse industries including food technology and construction. The AMWU has members at all skills and classifications from entry level to Professionals holding degrees.

The AMWU's purpose is to improve member's entitlements and conditions at work, including supporting wage increases, reasonable and social hours of work and protecting minimum award standards. In its history the union has campaigned for many employee entitlements that are now a feature of Australian workplaces, including occupational health and safety protections, annual leave, long service leave, paid public holidays, parental leave, penalty and overtime rates and loadings, and superannuation.

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AMWU Response

1. The Australian Manufacturing Workers' Union (AMWU) provides the following response to the Report on Multiple Modern Award Coverage and the Utility of Majority Clauses (the Report), written by EY Sweeney and commissioned by the Fair Work Commission (FWC). The response from the AMWU is submitted in accordance with the Statement issues by the President, Justice Ross 31 May 2016.¹
2. The AMWU opposes the introduction of majority clauses that would undermine the skill based classification structures in occupational awards. The conclusions in the Report support the AMWU's opposition to the introduction of majority clauses.

Key Conclusions of the Report

3. The key conclusions in the Report of note include:
 - a. "Employers indicated that the impact of multiple modern award coverage was minimal due to the general acceptance that this was part of operating a business in their industry and because of the development of their own strategies to manage the impact."
 - b. "Employer organisations supported the view that their members were not substantially affected by multiple modern award coverage and it had not been raised (to their knowledge) as an issue by their members."
 - c. "The study revealed that there was minimal perceived benefit in majority clauses. This view was shared across employers, employees as well as employer and employee organisations."
 - d. "The main concern regarding majority clauses was the perception that the clause was in direct opposition to the underlying reasons of the award modernisation process and the commencement of the modern award system in 2010."
 - e. "Both employers and employees with some knowledge of the modern award system agreed that the specified industry and occupational-based modern awards best reflected specific roles, requirements, training and professional development opportunities. To group the conditions and entitlements of all employees under the one award that covered the majority of employees at a business would reverse the perceived benefits of having separate modern awards, for minimal gain of reduced administrative burden."
 - f. "Employers considered the minimal impact of multiple modern award coverage as a necessary requirement to managing the enterprise in their specific industry."
 - g. "They (employer and employee organisations) also raised concerns that the removal of clear developmental pathways would result in a lower

¹ AM2014/300 4 Yearly Review of Modern Award - Award Flexibility Statement [2016] FWC 3531 Ross]

number of employees with general skills that could be transferred across industries.”

4. The key conclusions above support the Fair Work Commission deciding that the modern award system should not include majority clauses. For some employees the introduction of a majority clause would mean they lose access to career paths and classification structures specific to their occupation. This could also mean that the specific training support provided by their occupational award would also be removed.
5. The application of multiple modern awards to some enterprises has potential benefits for employees, employers, the labour market and the economy more broadly that would not be realised if a majority clause were to be implemented.
6. The AMWU submits that based on the conclusions in the Report the Commission should decide against considering the introduction of majority clauses in the Modern Award System.

End

30 June 2016