



PRODUCTIVITY COMMISSION INQUIRY INTO GEOGRAPHIC LABOUR MOBILITY

7 February 2014

Australian Industry Group would like to thank the Productivity Commission for the opportunity to comment on its draft report on Geographic Labour Mobility.

Ai Group agrees with the draft report's main finding that labour mobility is primarily a function of personal preferences. But the report acknowledges some poorly-designed policies are inhibiting mobility. We welcome the Productivity Commission's draft recommendation that states consider removing stamp duties on homes and improve land release policies. We also welcome the call on COAG to recommit to a national licensing regime, in line with our submission.

Ai Group, however, would like to encourage the Productivity Commission to give greater consideration to the influence of workplace relations settings on labour mobility. Ai Group is concerned that certain indispensable features of a flexible workplace relations system such as skilled foreign workers on temporary visas, casual employees and labour hire contractors have recently come under attack, to the detriment of effective labour mobility in Australia.

In particular, we would like to repeat our original recommendations and ask that PC consider these in the final report:

- Amend the enterprise bargaining laws in the *Fair Work Act* to reduce the power of unions to frustrate flexible work arrangements that are supported by an employer and its employees.
- Implement key changes recommended by the Fair Work Act Review to enable Individual Flexibility Agreements to achieve their policy intent of enabling an employer and an individual employee to agree on flexible work arrangements that suit their needs.
- Implement key changes to the Transfer of Business Laws, as recommended by the Fair Work Act Review, to remove the impediment to employers agreeing to employee requests to transfer to other enterprises within corporate groups.
- Amend the *Fair Work Act* to reinstate the former provision in the *Workplace Relations Act 1996* which outlawed award and enterprise agreement clauses which restricted the engagement of labour hire and other contractors.
- Ensure that the workplace relations system does not impose barriers to casual work arrangements.

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