

SUBMISSION TO PRODUCTIVITY COMMISSION

NATIONAL WORKERS COMPENSATION and OCCUPATIONAL HEALTH & SAFETY FRAMEWORKS

Submission from Labour Force Australia Pty Ltd

Labour Force Australia Pty Ltd (Labour Force) is the licensor of the Odco® system of agency contracting for independent contractors. There are licensed Odco® agencies operating in all states and territories of Australia.

We wish the Commission every success in the hope it can militate rational action to the current nightmare that plagues businesses when they work interstate or nationally. Every business must not only register in each state, they must provide, in each state, the necessary infrastructure to support the voluminous requirements of each state's system. We would propose that the Commission goes one step further and looks positively at the concept of a `national' scheme run in conjunction with the state systems but which businesses that trade interstate or nationally could be administered through. On a practical level it would be a complementary unit to the state based departments with their audit compliance powers being shared.

A National Scheme

A national scheme has the potential to alleviate those cross-border issues that perplex business and bureaucrats alike. It has the potential to leave in place domestic issues to be dealt with by their current regimes and yet allow those who do business interstate the ability to register nationally, a `one stop shop' if you like, and simply have to follow the national regime and provide the simplified reporting and infrastructure as required.

A national scheme would facilitate a cooperative approach between Commonwealth & State governments, where the primary responsibility would with rest with the States, allowing for flexibility for local conditions, and the troublesome interstate issues would be dealt with by the national scheme.

This could also alleviate the age old problem of getting the states' legislation and bureaucracies 'in synch' as they continue to deal with their domestic issues and the vexing issue of interstatedness left to the national scheme.

Occupational Health & Safety

Occupational Health & Safety measures should apply to all workers regardless of their legal status. All workers should be able to rely on any workplace being a safe workplace, confident that OH&S measures are in place and all requirements are met. It should not be of any consequence that some workers are common law employees and others independent contractors.

A National Framework would facilitate uniformity in regulations for improved workplace safety, and assist in overcoming any cross border jurisdictional issues that lead to confusion.

Contractors

Independent contractors are people who choose to provide their services to all sections of the community as a self-employed business person. They may be a sole trader or may operate through a corporate structure. Odco® contractors are caught into Workers Compensation jurisdictions in some states where deeming provisions apply. In other jurisdictions they are clearly excluded. People enter into Odco® contracts for positive commercial reasons. They do not enter these contracts to avoid their responsibilities.

With that in mind, we propose that the Commission adopt a clear cut attitude that Workers Compensation be applied to employees. All other workers however characterised must carry income protection insurance. This can be mandated by law and provide the necessary safety net and save future arguments as to who should or should not be covered.

It is only the mechanics of correctly balancing the social welfare with the right to free and fair trade that should be the issue.

The Commission is ideally positioned to seriously consider a safety net approach to contractors. The Tasmanian model, where independent contractors who have private insurance are excluded from Workers Compensation, may be helpful in this regard.

Peter Bosa

Chairman

6 June 2003