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Liberal plan to reduce unfair dismissal protection would hit vulnerable workers with huge legal fees

A Liberal plan to make unsuccessful claimants pay costs in unfair dismissal cases would severely curtail a fundamental workplace right and protection, say unions.

ACTU President Ged Kearney said the threat of costs being awarded for an unsuccessful claim would effectively prevent many low-paid workers from ever pursuing legitimate claims for unfair dismissal.

This was a back door way of restricting the rights of workers to be protected from unfair dismissal after the Fair Work Act restored these rights for all workers, she said.

“This proposal floated by Eric Abetz would punish the victims of unfair dismissal by hitting them with costs if for some reason their case is unsuccessful,” Ms Kearney said.

“The Liberal Party claims their plan would stop ‘frivolous claims’.

“There is nothing frivolous about losing your job, and nothing frivolous about standing up for your rights to be protected from unfair dismissal.

“How can a low-paid worker risk taking a legitimate case to the tribunal if they have the threat of substantial costs being awarded against them if they are unsuccessful?”

“This goes against over a century of industrial relations practice in which the independent umpire has been a no-cost jurisdiction.

“The Liberals also fail to understand that unfair dismissal laws help prevent unnecessary sackings and give workers job security.”

Ms Kearney said the removal of unfair dismissal protections was a “Holy Grail” of the Liberal Party. Under WorkChoices, employers with less than 100 staff were exempt from any claims of unfair dismissal. This denied 66% of all employees in the federal system – almost 6 million people – from any unfair dismissal protections.

The Fair Work Act has restored unfair dismissal rights for all workers.

On average, about 1 million workers are dismissed each year, with only about 1.5% of all dismissals being taken to Fair Work Australia. Of those, only 527 were not resolved without needing a hearing, and just 154 of them were decided in favour of the worker.

“This proposal to slug unfair dismissal claimants with costs is part of the Liberal Party’s strategy to take away workers’ rights,” Ms Kearney said.

“Instead of actually coming out with a policy or a plan for Australia’s workplace relations system, their strategy appears to be death for workers’ rights by a thousand cuts.

“Unions are determined to expose these policies to public scrutiny.”

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