



# ALP wins on contractors

**Brad Norington**

FEDERAL Labor's support for self-employed independent contractors has been hailed a "breakthrough" policy by a previously antagonistic lobby group of conservative small business operators.

In a surprise move, Independent Contractors of Australia declared yesterday that Labor had made a significant shift by recognising the key role of up to 1.9 million independent contractors in the nation's economy.

The group's executive director, Ken Phillips, praised Labor small business spokesman Craig Emerson for devising a policy that accepted contractors should be treated in future under commercial contract law, not employment law, as unions would prefer.

Mr Phillips said Labor's policy endorsing the choice of people to pursue careers as contractors, approved at its national conference two weeks ago, broke with traditionally aggressive opposition that reflected the mindset of unions.

He said the ALP had agreed to adopt an International Labour Organisation standard recognising the modern world of work in which almost a fifth of Australia's

workforce was self-employed.

Mr Phillips, who also heads the workplace reform unit of Melbourne-based conservative think tank the Institute of Public Affairs, said: "In the past the ALP's said that anyone not described as an employee is a sham and it can't be true, and how could you have an independent contractor in a factory, for example? But that's not true.

"It's the existence of a commercial contract, that's the legal and managerial fact of it. It's a big cultural shift for the ALP to recognise that."

Mr Phillips said the ICA's support for Labor was at least on equal footing with the Coalition and possibly better, based on Labor's decision to put the area in the small business portfolio, not employment.

However, objections still remained over Labor and the Coalition recognising truck owner-drivers and clothing outworkers as vulnerable workers deserving special protection like employees.

Dr Emerson's endorsement from the ICA stands in contrast to efforts by Labor's industrial relations spokeswoman, Julia Gillard, to get big business support for Labor's broader industrial relations policy.

ICA's chairman, Michael Kelson, an accountant who organises payroll packaging for independent contractors and employees, said it was "terrific" to have a constructive dialogue with Labor.

And Dr Emerson said that it was encouraging to gain the support of both the ALP's national conference and the ICA.

"Labor will continue developing detailed policies in this vitally important area of the new economy," he said.

"Labor will offer support for independent contractors and small business, including low-cost dispute settling procedures, and we'll have more to say on that before the election."

The ICA estimates that about 1.9 million of Australia's 10 million workforce are now independent contractors in areas including building trades, information technology, courier work and working from home.

Unions argue that the use of independent contractors by companies is often a sham arrangement so that employers can escape paying conditions including the minimum wage, sick leave, superannuation and workers' compensation premiums.