

# WorkSight Focus

July 2005

News, opinions, events and more from the WorkSight team

## How the industrial relations changes will affect your business

On 26 May 2005 the Federal Government announced a wide range of dramatic changes to the federal industrial relations system. This will affect all Victorian employers and employees as well as those employers in other states that use the federal system. The Government also wants to introduce a single national industrial relations system that will do away with the state industrial relations commissions; however, this will be a more complicated goal as the states are unlikely to give up their powers in the near future.

The key changes that will be introduced are as follows:

- Businesses with up to 100 employees will be exempt from the unfair dismissal provisions of the Workplace Relations Act. However, businesses will still be covered by the unlawful dismissal provisions that prevent employers from dismissing staff on discriminatory grounds.
- The probationary period of employment (i.e. when new employees are not covered by the unfair dismissal laws) is to be extended from 3 months to 6 months. This means that employers will have 6 months to consider whether they want to keep a new employee instead of 3.



Will business take off under the new regime or will there be more industrial unrest?

- The Australian Industrial Relations Commission is to be stripped of most of its work and will be left merely to resolve disputes, simplify awards and deal with unfair dismissals from businesses with over 100 employees.
- The Australian Fair Pay Commission will be established to set minimum rates of pay, junior & trainee rates of pay, all award classification rates and casual loadings. No information has been provided as to who will be on this Commission. It is likely that future increases in all these rates of pay will be less than we have become used to via the annual national wage case increases. This is likely to increase the differences between the pay rates in businesses: some employers will stick to the minimum rates of pay – others will try to attract better employees with higher rates of pay.
- A range of employment conditions will be removed from awards. These include jury service, long service leave, notice of termination and superannuation. These conditions are already governed by a variety of forms of legislation. In addition, the Government is intending to introduce legislation that will set minimum standards for annual, personal and parental leave as well as the maximum number of ordinary hours of work. Once this occurs these conditions will be removed from awards.
- In addition to setting minimum rates of pay the Australian Fair Pay Commission will set the Australian Fair Pay and Conditions Standard which will form the minimum employment conditions against which certified agreements and Australian Workplace Agreements will be compared. These will probably be similar to the Victorian minimum employment conditions that were in place prior to the introduction of Common Rule Awards in January 2005. No longer will the Australian Industrial Relations Commission compare a certified agreement against a relevant award

to determine whether the employees will be disadvantaged by the agreement. What is proposed is that all certified agreements (and Australian Workplace Agreements) would be lodged with the Office of the Employment Advocate. All these agreements will come into effect as soon as they are lodged. It is unclear at this stage whether the agreements are actually assessed to ensure that they do not disadvantage employees in comparison with the Australian Fair Pay and Conditions Standards.

The Government also plans to:

- Exempt small business from the requirement to pay severance pay.
- Introduce the Australian Safety and Compensation Council to implement national occupational health and safety standards and to pursue a national workers compensation system.

- Introduce secret ballots for industrial action.
- Introduce a single system of "right of entry" into workplaces.
- Discourage pattern bargaining.
- Review all award classification structures over the next 12 months.

When more information is released as to how and when this new system of industrial relations will be implemented, WorkSight will provide you with further advice on these changes. In the meantime the current system remains in place.

## 2005 National Wage Case

On 7 June 2005 the Australian Industrial Relations Commission handed down the 2005 national wage case decision awarding a \$17.00 a week pay increase to all employees on award rates of pay. It



also increased the minimum wage by \$17.00 a week bringing it up to \$484.40 a week.

Over the coming weeks and months federal awards will be varied to increase the award rates of pay. Awards cannot be varied within 12 months of the last national wage case increase.

The state industrial relations commissions will be holding their own state wage case hearings over the coming weeks. Generally, they follow the decision from the federal commission. If you are not sure whether the pay rates in the award that covers your business have been increased or not, get in touch with us at WorkSight and we will let you know.



**Workplace Relations Specialists**

**Need Information or Advice?  
Contact WorkSight**

If you need information or advice about any employee relations issues affecting you or your employees contact Siân Owen, Janet Nicolson or Rae-Anne Medforth at WorkSight.

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