

## EMPLOYEE RELATIONS UPDATE – APRIL 2005

### CHANGES TO THE INDUSTRIAL RELATIONS LANDSCAPE – QUEENSLAND AND FEDERAL UPDATE

*As we head into the last quarter of the financial year, it's important to consider recent and upcoming State and Federal industrial relations reform, and to assess the impact that such reform may have on your business.*

#### State Reforms

At a state level, the *Queensland Industrial Relations and Other Acts Amendment Act 2005* has been passed and came into effect on 1 April 2005. This legislation allows for amendments to the *Industrial Relations Act 1999*, including:

- o protection from unfair dismissal for an invalid reason extended to short term casual employees and employees engaged for a fixed term or task;
- o on agreement with the employer, access to up to five days unpaid Cultural Leave for any employee who is required by Aboriginal tradition or Island custom to attend an Aboriginal or Torres Strait Islander ceremony (the employer must not unreasonably refuse the leave);
- o bereavement leave amended to confirm an employee's entitlement regardless of where the death occurs (e. Australia or overseas). Also provides an entitlement to additional unpaid bereavement leave if the employee reasonably requires extra time to travel to and from the funeral; and
- o greater support of family-friendly work practices (requires states awards to take family responsibilities into account and that they facilitate agreement at the workplace or enterprise level on balancing work and family responsibilities).

Further amendments include a revised method for calculating annual and long service leave payments for employees who are entitled to receive commissions in their leave payments and increased jurisdiction of the QIRC over wage recovery matters from the current \$20,000 claim limit to \$50,000.

#### Federal Reforms

In the Federal arena, the government's vision for industrial relations in Australia is causing much debate amongst employers, employees and unions. The government is seeking to move to a centralised, national industrial relations system that is proposed to improve flexibility and productivity, as well as maximise opportunities for employment.

Although details are yet to be released, the following outline provides a summary of the key changes proposed:

- a single national system – the current six separate state legislative systems be replaced with a single national system, with the intention of removing complexities and costs associated with the current multiple systems. Such change is likely to be introduced incrementally, via a dual system that for a limited time, offers people choice between a state and federal system;
- minimum wage setting – possible removal of the current minimum wage system, and replacement with a single statutory minimum wage set by a specialist wage board;
- award and agreement simplification – the government is considering reducing the number of allowable award matters with a focus on ensuring an ongoing role for awards as a genuine safety net of minimum terms and conditions. Items that may be identified for removal as allowable award matters include long service leave, jury service leave, notice of termination and possibly superannuation. The process of making agreements may also be simplified, allowing for Australian Workplace Agreements (AWAs) to be approved automatically and removing third party interference. The duration of AWAs is also proposed to be increased from three, to five years;
- Industrial action limitations – general plans to limit the issues over which industrial action can be taken. Specifically, a proposal to prohibit industrial action during a “cooling off period” of two weeks;
- Right of entry provisions – limiting right of entry for recruitment purposes to twice a year and obliging unions to comply with an employer’s “reasonable requests” in relation to the location of interviews and discussions; and
- Small business changes – exemption for small business (20 employees or less) from unfair dismissal claims and from award rules requiring minimum legal pay and conditions.

Significant discussion in relation to the proposed reforms is yet to take place, with unions reacting strongly to the government’s proposals. The ACTU believe the planned changes are designed to cut workers’ wages and reduce people’s rights at work. Unions also believe the proposed changes to minimum wage setting will result in a reduction of the minimum wage rate. Leaders of the ten major unions and labour councils across Australia recently attended an ACTU campaign committee meeting to plan formal union response to the proposals which could include widespread industrial action or mass protests.

The majority of the States and Territories appear likely to resist the proposals also, with NSW confirming that it will fight to retain a state-based industrial relations system.

We will continue to advise you of developments, and provide information on how the proposed legislation may impact on your organisation.

*For further information about any of the legislative changes outlined above, please contact us on (07) 3839 1233.*