

## EMPLOYEE RELATIONS UPDATE – SPECIAL EDITION

### PROPOSED FEDERAL GOVERNMENT REFORMS TO INDUSTRIAL REALTIONS

The Federal Government has today announced its proposed reforms for industrial relations. The proposed changes are significant and employers should familiarise themselves with the reforms and understand how they will impact upon their business. The proposals are not yet law.

The reforms can be summarised as follows:

**The setting of minimum wages and conditions:** Presently, award rates are varied as a result of decisions of the Australian Industrial Relations Commission ('the AIRC'). Under the reforms, the Australian Fair Pay Commission will be established. It will set a single adult minimum wage on a periodic basis and will set Award wage rates.

**Making of workplace agreements:** The current tests by which workplace agreements are made will change as the Government introduces an Australian Fair Pay and Conditions Standard based on the minimums set by the Australian Fair Pay Commission. Currently, certified agreements (which are collective in nature) are certified by the AIRC. Under the reforms, both collective and individual agreements will be approved upon lodgement with the Office of the Employment Advocate.

**Further award simplification and changes to the role of the AIRC:** Matters said to be covered by other legislation will be removed from Awards. These may include jury service, notice of termination of employment, long service leave and superannuation. Existing awards and classifications will be reviewed by a special Task Group within 12 months. The role of the AIRC will focus on resolving 'legitimate' disputes and the further simplification of awards.

**Changes to unfair dismissal laws:** Businesses with up to 100 employees will be exempt from unfair dismissal laws. Unlawful termination provisions will continue to apply. For businesses with more than 100 employees, probationary periods will be increased from 3 to 6 months.

**A national system of industrial relations:** In the first instance, the Government will seek that states refer their industrial relations powers to the Commonwealth, as Victoria has done previously. In the absence of a referral of powers, the Federal Government proposes to move towards a single system using the corporations power in the Constitution. This would mean that some businesses, such as unincorporated small businesses may still fall within a state jurisdiction.

*Please contact the MJ Smith & Partners office on (07) 3839 1233 to discuss these changes and how they impact upon your business.*