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Haycroft Workplace Solutions

Australia's foremost workplace experts

WORKPLACE BUZZ

March 2008

IMPORTANT NOTICE!

Bottom Line Summary – When the PM says that AWAs are “dead and buried” you had better believe it!

For clients of Haycroft Workplace Solutions who are currently using Australian Workplace Agreements (AWAs) for new employees - there have been some changes that will be applicable to you.

What Has Happened?

- The **Transitional IR Legislation** has now passed through Parliament.
- Once the Transitional IR Legislation receives Royal Assent (is signed off by the Governor General), the legislation will take effect from the date it is proclaimed.
- The Labor government expects this to happen as soon as possible; this could mean a few days or up to a few weeks but it is speculated that it would be no later than early April.

What Happens Next?

Once the legislation is proclaimed -

- There will be no further option for any employer to offer AWAs

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- from this date.
- Current AWAs/CWAs will be allowed to run their course at this stage (which is good news for our current PEO/Payroll Service Clients)
 - Current employers with AWAs lodged as of 1st December 2007 will have the option to create Individual Transitional Employment Agreements (ITEAs).
 - ITEAs will have a new nominal expiry date of no more than 2 years or the 31st December 2009, whichever comes first
 - They will only be operational 7 days after the Workplace Authority approves the agreement. This could potentially take months.
 - During the time the agreement is waiting to be approved, the employee would have to be paid under the relevant industrial instrument, such as the award.
 - There will be certain criteria under which employees could be offered an ITEA.
 - A No-Disadvantage Test (NDT) for ITEAs and CWAs will be introduced.
 - The NDT will take into account any existing CWA that could apply when assessing ITEAs, as well as other criteria in the award, such as State Long Service Leave. CWAs will be assessed on more aspects of the award than previously.
 - The Australian Industrial Relations Commission will be able to start the award modernisation process.

Where to From Here?

- Until such time as the Legislation has been proclaimed, AWAs can still be lodged with the Workplace Authority.
 - After this time, you should contact your consultant to discuss:
 - Whether the business is eligible to create ITEAs
 - Whether the employee you wish to offer an ITEA to is eligible to receive an ITEA.
 - Whether you should investigate creating a CWA.
- Whether you should employ your new and existing staff through our Professional Employer Organisation to keep the flat rates and flexibility you have enjoyed under your previous employment arrangements.**

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