

Fair Work Australia - Background

From 1 July 2009:

- Fair Work Australia has a much greater ability to fine for lack of compliance; \$33,000 per incident for employers breaching the award
- The Fair Work Ombudsman also has a much greater ability to prosecute on behalf of employees
- Employees can choose to appoint a bargaining agent
- Unions have been given enhanced rights of entry onto work places including a right to inspect and copy time and wage records
- Unfair Dismissal can now be accessed by employees who are employed by a small business employer. Previously a small business employer was defined as an employer with less than 100 employees (FTE); this definition has now been changed to less than 15 employees (FTE).
- A Small Business Fair Dismissal Code has been introduced and must be followed in order for the dismissal of an employee to be deemed as being fair and to ensure the employer is not found to be liable. This code can be accessed at <http://www.fairwork.gov.au/Termination-of-employment/Pages/Small-Business-Fair-Dismissal-code.aspx>

From 1 January 2010:

- The National Employment Standards (NES) commence
- A new system of Modern Awards is due to commence (a list of these new awards can be found at <http://www.airc.gov.au/awardmod/fullbench/awards.htm>)
- All employees must receive payslips which must include the employers ABN number

<u>Old Rules - Australian Fair Pay Commission Standards</u>	<u>New Rules - National Employment Standards</u>
1. Basic rates of pay and casual loading	1. Maximum 38 hrs per week plus reasonable additional hrs
2. Maximum of 38 ordinary hours of work per week plus reasonable additional hours	2. Right to request flexible working arrangements
3. Annual leave	3. Annual leave
4. Personal leave (including sick and carer's and compassionate leave)	4. Personal/carer's and compassionate leave
5. Parental leave	5. Community service leave
	6. Long service leave
	7. Public holidays
	8. Parental leave
	9. Notice of termination and redundancy pay
	10. Fair Work Information Statement

Where to from here....

1. Review the National Employment Standards (NES)
2. Ascertain if you are governed by a modern award
3. Comply with the new modern award
4. Adjust your company policies and employee guidelines:
 - How will the company fund annual leave being paid out?
 - How will 2 years parental leave be managed?
 - How will flexibility terms be managed?
5. Review employment contracts

If you require further information please refer to the attached or contact your Accountant or Angie Moller at this office.

Yours faithfully,

MOR ACCOUNTANTS