



13th October 2011

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Hi Kathy!

# Future IR Reform



There is no doubt from an Employers perspective that some significant revision and amendments to aspects of the 'Fair Work Act' and the Modern Awards needs to be undertaken. The following article by Peter Anderson, Chief Executive of the Australian Chamber of Commerce and Industry, extracted from the Financial Review on Wednesday 26th September 2011. We can only hope that some degree of common sense and willingness to embrace much needed refinement to the Federal system will be actioned. The article in full for your attention.

### Abbott has to Work on I R Policy

Fear of what others might say is making Tony Abbott unduly cautious. "Statutory Individual Agreements were once our policy but no longer are," he told ABCTV's 7.30. Excuse me? They weren't merely some policy thought bubble the Coalition once had. They existed in law, not just an idea. Nor were they created by Workchoices. They were enacted into Australian Law by the Coalition 10 years before Workchoices. They were called Australian Workplace Agreements (AWA's) and operated without controversy because they existed with a 'no-disadvantage test' which Workchoices wrongly removed.

By 2007, more than 1 million AWA's had been made by Employers and Employees across the nations.

Nor were they just the invention of the Federal Coalition, State Coalition Governments in NSW, Victoria, WA and Queensland all had statutory contracts in their Industrial Relations laws in the late 1980's and 1990's.

Nor were they just the Coalition's baby. They became law in 1996 with the approval of the Senate and the agreement of the then Australian Democrats. Abbott's unilateral declaration is a mistake. There has been no process of consultation with his party let alone the business or wider community. The business community is entitled to know why decisions like this are made. Without a thoughtful and reasoned case, it smacks of politics; in this case, an unwillingness to confront a fear campaign by Unions and Government.

With protections like a no-disadvantage test, they are not extreme or unfair. The Democrats rightly used to argue that a statutory Individual Agreement with a no-disadvantage test provided more protections to workers that the common-law Individual Agreement we all have, known as our Employment Contract.

In an economy in which only 14% of the workforce joins trade unions, it is unrealistic to expect Collective bargaining to do all the heavy lifting. The modern market requires Individual bargaining to reflect the way most businesses and staff organise themselves.

Abbott is right to say that Flexibility Agreements inside the Gillard Government's Awards are not working. While changes can be made to improve them, those changes won't provide enough efficiency and productivity benefits.

A Statutory Agreement gives certainty and stability to labour relations for its period of operation whereas an agreement inside an Award exposes businesses to Collective bargaining claims and strike action.

There are many other problems with the current Workplace Laws beyond Individual bargaining. The Government hasn't got the balance right.

Best Regards

The Workwise Team

**Did you know?** 

\_That the union between an Employment Contract and a Current set of Foundation Policy and Procedures is a great way to support your business.

Call us on 9792 4451 for further information on how to

# obtain a current set of Foundation Policy and Procedures and to discuss Employment Contracts for your business.

# Map Where you are at on our 'Best Practice Model'.

By now you should have received information about the first Five stages of the model.

#### 1. Time and Wages Compliance Audits

Are you confident that your payroll practices are compliant and in line with the applicable Modern or State Awards??

#### 2. Employment Documentation

Do you have a clearly written and compliant employment agreement which stipulates your employment arrangements and provides you with protections in relation to confidentially and restraint of trade - to name but two areas.

#### 3. Policy and Procedures

From a risk management perspective we encourage you to take a pro-active step and reassure yourself that there are no non compliant or discriminatory practices within your business.

#### 4. Job Description Forms

A good JDF will illustrate clear performance and guidelines for that 'position' which should then eliminate issues within your workplace in regards to Performance and responsibility of any one of your employees within your business.

## 5. Individual Performance Appraisals

A well crafted IPA provides clear direction to employees on what they are expected to achieve and how that will be achieved.



Time is running out -have you renewed your membership???



Have you forgotten to advise us of any changes - please let us know by emailing <a href="mailto:clientliaison@workwiseby.com.au">clientliaison@workwiseby.com.au</a> so that we can update our records.

# Seminars Bunbury

Due to Popular Demand - 5th seminar

Topic: The Model 'Work Health & Safety Act' (WHS)

## Where: Small Business Centre 177 Spencer Street Bunbury

When: Wednesday 30th November 2011- 6pm start

Please call The Small Business Centre on 9791 2666 for further details

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