



# NOT MUCH CHANGE IN THE WAGE NEW WORLD

*Peter Switzer outlines the challenges for SMEs in the overhaul of the industrial relations system*

**A** HEAD of its victory late last year, the Rudd Labor team put forward their Forward with Fairness wages policy.

Now many small business people are still unclear how wage deals will work under our new federal Government.

Arthur Hatzis, who owns Bar Nostimo in Sydney's Queen Street, Woollahra, is not too negative about the new wage world ahead.

"I don't want the Deputy PM, Ms Gillard, to get her entire way on wage contracts," he says. "But I think good sense will prevail.

"I never went for AWAs (Australian Workplace Agreements), so I don't fear big changes for me."

Business owner and wage expert, Warwick Ryan from Central Coast Business Lawyers in NSW, says the early effect of the Rudd Government will be minimal for employers.

"For most employers, not very much will change, unless the employer is in the habit of issuing Australian Workplace Agreements to their staff," he says. "The Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 has a fairly limited range of changes."

Ryan says the first and most significant change is that it will ban employers from offering AWAs to new staff.

However, it preserves AWAs already in operation for up to another five years.

"For employers that have been in the habit of issuing AWAs to their staff, they can enter into Interim Transition Employment Agreements with their new staff," Ryan says. "These have a more limited life of a couple of years."

The other change is that Labor is proposing a test to be applied to the approval of Collective Agreements (one employer, many staff) be changed to a "no disadvantage test".

The effect of this test is compared

with the relevant award so a worker under the agreement would not be disadvantaged. It will still entitle employers who pay more than the award rate on normal hours to trade that off against lower penalty rates or lower overtime rates.

Warwick Ryan thinks the most positive aspect of the bill is the intent of the Government to now initiate an award modernisation process.

"The aim is to reduce the approximately 4000 awards across the country down to a much lesser number," he says. "Within a two-year period, state-based awards might come to an end and be replaced by federal awards."

The Government has also foreshadowed within the next few weeks that as part of its award simplification process it will issue 10 statutory minimums, which will be the minimum conditions applicable to all employment across the country. They will be:

A standard 38-hour week plus provision for reasonable overtime

Parental leave

Annual leave

Personal, carers and compassionate leave

Community services leave (ie for emergency service workers)

Public holidays

Provision of information in the workplace

Termination of employment and redundancy (but no redundancy payable for businesses of less than 15 employees)

Long-services leave

Flexible work for parents that will reinstate the former (right to request) flexible work until the child reaches school age.

Ryan thinks the last of these is possibly the most worrying.

Overall this legislation suggests that within two years we will move to a truly national system and avoid the duplication of having six or seven

different jurisdictions each with their own set of awards.

Labor will also introduce its Fair Dismissal Code, which focuses on firms with fewer than 15 employees instead of the Howard government's 100 employees or fewer.

Of course, this might not change for a while because the Senate will have the final say.

The simple summary is:

There will be 12 months before a small business employee can make an unfair-dismissal claim

Fair Work Australia local offices can conduct an unfair-dismissal conference if an employer requests it

Resolving unfair-dismissal claims will be simple, with no lawyers

Employers' interests will be considered

Staff retrenched in a downturn or because of new technology can be treated as a redundancy.

Craig Emerson, the Minister for Small Business, Independent Contractors and the Service Economy, says there will no longer be "go away money", where workers are paid off to drop spurious unfair-dismissal claims.



**Good sense:** Arthur Hatzis