

Introduction

This is the first newsletter for Drayton's Workplace Consulting Pty Ltd. These newsletters will be issued on a regular basis in the future to assist Drayton's clients with up to date information on employee relations and employment related matters.

Welcome to 2007 it is now February and the year is well under way. The main workplace relations issues for 2007 are going to be:

- **WorkChoices**– The impacts and changes from WorkChoices keep rolling out. The most recent changes are outlined in this issue.
- **Retaining Staff**– Staff with skills in critical areas of high demand will be difficult to retain. A careful eye on wage and remuneration models in each industry will be necessary.
- **Federal Election**– The upcoming federal election in 2007 has generated debate and crystal ball gazing on likely changes to industrial relations legislation should there be a change in Government. The limited statements by the ALP do not suggest that there will be radical change. We will provide a detailed analysis of both political parties' IR policies when released, to assist with planning.

- Greg Power

Wage Growth

The September 2006 quarter wage trends for collective agreements have been released. These figures indicate that average annual wage increases are being maintained at approximately 4% across all sectors.

Industries closely related to building and construction are being influenced by a boom in civil infrastructure in South-East Queensland with wage increases averaging 5% per annum.

The tradesperson wage rate on the major civil infrastructure projects, such as the tunnels, the water pipelines and Tugun Bypass, is now approaching \$30.00 an hour for ordinary time.

Average Annualised Wage Increases		
	June quarter 2006	Sept. quarter 2006
Wage agreements in the quarter		
All sectors	4.3%	3.7%
Private sector	4.0%	3.2%
Public sector	4.6%	4.4%
All current wage agreements		
All sectors	4.1%	4.0%
Private sector	3.9%	3.8%
Public sector	4.3%	4.2%

What are the Minimum Rates

There is still some confusion over the application of the Australian Fair Pay Commission's decision.

The Federal Minimum Wage is \$13.47 and the minimum casual wage is \$16.16. This rate applies where there is no applicable award.

If a State or Federal Award applied to a constitutional corporation (i.e. a Pty Ltd or Limited company) prior to the 27th March 2007, the minimum wage is the applicable Award rate at that date plus the following increase.

- \$27.36 per week to all pay scales less than \$700.00 per week.
- \$22.04 per week to all pay scales more than \$700.00 per week.

These increases have effect from the 1 December 2006.

State and Federal Awards as they were on the 27 March 2006 are available at- www.workchoices.gov.au.

Non-constitutional corporations (e.g. sole traders or partnerships) remain under the appropriate State Award or 'transitional' Federal Award.

Changes to WorkChoices

On 4 December 2006 a number of amendments to the WorkChoices legislation were passed in Parliament. The important changes relate to:

Accrual and Payment of Annual and Personal Leave

Amendments have clarified that leave will not accrue at a rate greater than ordinary hours. Accrued leave entitlements will be payable at the employee's basic periodic rate of pay and will not include amounts such as overtime that employees would 'reasonably expect to have earned.'

Right to Stand Down Employees

The *Workplace Relations Act* now allows employers to stand down employees in limited circumstances even where this is not provided for in a workplace agreement.

Cashing Out Personal Leave

Previously the cashing out of personal/carer's leave was prohibited. The amendments allow for the cashing out of personal leave provided: the cashing out is provided for in a workplace agreement, the cashing out is at the written initiation of the employee and a minimum of 15 days accrued leave must remain available.

Waiver of Information Statement Period

Employees may now agree in writing to waive the requirement to have an information statement and access to the agreement for a minimum of 7 days.

Most of these amendments have a number of specific conditions and requirements to be correctly utilised. Drayton's should be contacted prior to implementing any of these changes.

Dismissals Under WorkChoices

There are two recent decisions of the Australian Industrial Relations Commission (AIRC) that clarify the new dismissal laws.

Transmission of Business

In *William Rogers v Reflections Group Pty Ltd* the AIRC provided that the transmission of business breaks the employment contract and transferring employees are subject to a new probationary period and qualifying period.

'The law as it stands does not appear to provide for the retention of an unbroken Contract of employment in circumstances in which there is a transmission of business and an arrangement is put in place for the transmittee to become the employer of the former employees.'

Redundancy and Dismissal

In *Village Cinemas Australia Pty Ltd* the full bench of the AIRC on appeal, found that the employees terminated on genuine operational reasons do not have recourse to unfair dismissals.

Effectively this means that if an employee's position has become redundant the employee will not have recourse to unfair dismissal under the *Workplace Relations Act 1996*.

There does not appear to be a requirement on employers to investigate the redeployment of an employee prior to termination

These reports are brief overviews of cases and should not be treated as advice. Advice should be sought before any termination.

What Does Drayton's Do?

- Workplace Agreements— This includes drafting, research on wage rates, negotiation and lodging agreements
- Salary and employment contracts
- Recruitment assistance in advertising, compiling and reference screening applicants
- Project management for human resource and industrial relations exercises.
- Assistance with compliance for the National Code of Practice for the Construction Industry
- In house training on workplace issues. Training is tailored specific to a client's needs.

Queensland Public Holidays 2007

Good Friday

Friday 6 April 2007

Easter Saturday

Saturday 7 April 2007

Easter Monday

Monday 9 April 2007

Anzac Day

Wednesday 25 April 2007

Labour Day

Monday 7 May 2007

Queen's Birthday

Monday 11 June 2007

Royal National Show (Brisbane area only)

Wednesday 15 August 2007

Christmas Day

Tuesday 25 December 2007

Boxing Day

Wednesday 26 December 2007

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