

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2 and 3 NOVEMBER 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Outcome 2: Higher productivity, higher pay workplace

Output Group: 2.1: Workplace relations policy and analysis

Output 2.1.1: Workplace relations policy advice

Question Number: W607-06

Question:

Senator Marshall asked in writing:

Will this [the answer to Question W606-06] mean that the transferring employee's former terms and conditions will *not* be protected for twelve months at the new employer?

Answer:

Where a transmission of business has occurred and an employee transfers to the new employer, the awards, collective agreements and individual agreements that cover the employees of the transferring business will transmit to the new employer. These instruments will have a maximum period of application of twelve months. The twelve month period gives the new employer and transferring employees the opportunity to negotiate, if they choose, more suitable arrangements for their employment relationship, while protecting the transferring employee's existing wages and conditions while these negotiations take place.

The provisions also ensure that during the twelve month period a new employer will not be able to terminate an agreement unilaterally; even where it is has reached its expiry date. Therefore, a transferred agreement may only be terminated in this period with the approval of the relevant employees.

The Workplace Relations Amendment (*Work Choices*) Bill 2005 also provides further protection for transferred employees. Specifically, the Bill requires the new employer to comply with a number of notification requirements designed to assist employees when making future employment requirements. Where a transferring employee accepts employment with the new employer, the new employer is required to provide the employee with information about his or her current and potential terms and conditions of employment. A civil penalty may be imposed by the Court where an employer fails to provide this information.