

## Appendix 6

### Summary of effects of Work Choice changes on employers

#### Incorporated Employers

Award/ Agreement Coverage - Current	Effect of New Legislation	Employer entering into new Agreement	If Employer does nothing
<b>State award (common rule or single enterprise)</b>	Deemed a transitional federal agreement (Part 5A)  Terms except those below AFPCS and prohibited content federally enforceable  3 year nominal expiry date (Part 5A)	Can be replaced by new federal agreement before expiry date. existing agreement cannot be varied or extended. (part 5B)	Move to most appropriate federal award after expiry date of transitional federal agreement.  AIRC to determine appropriate federal award coverage.
<b>State agreement (eg NSW enterprise agreement)</b>	Deemed a transitional federal agreement  terms except prohibited content federally enforceable  retain nominal expiry date (Sch 15)	Can be replaced by new federal agreement before expiry date subject to Australian Fair Pay and Conditions Standard (AFPCS)  existing agreement cannot be varied or extended.	Continue in effect until replaced or terminated but subject to AFPCS after nominal expiry date
<b>Federal award</b>	Continues to apply. 4 allowable matters (jury service; superannuation; notice of termination and long service leave) not able to be put into new awards or varied.  superannuation continues until 30/06/08 only  wages set by AFPC  annual, personal carers and parental leave removed unless more generous than AFPCS (Part 6)	May enter collective or individual agreement subject to AFPCS  some award conditions continue to apply unless explicitly excluded by agreement  agreement lodged with OEA  agreement commences when lodged (Part 5B)	Award continues to apply

<b>Federal agreement (Div 2 or 3 Certified Agreement; Australian WA)</b>	Continues to apply and retains current nominal expiry date.  Current terms apply (Sch 14)	May enter new collective or individual agreement subject to AFPCS  some award conditions continue to apply unless explicitly excluded by agreement, eg personal leave agreement lodged with OEA. Agreement commences when lodged (Part 5B)	Agreement continues to apply after nominal expiry date unless replaced or terminated  relevant conditions subject to AFPC minimum
<b>Award free</b>	No change  may seek federal award coverage	May enter agreement subject to AFPCS (Part 5A)  agreement lodged with OEA  agreement commences when lodged	Contract of employment continues to apply  state and federal legislation continue to apply

### Unincorporated Employers

<b>Award/Agreement Coverage - Current</b>	<b>Effect of New Legislation</b>	<b>Employer entering into new Agreement</b>	<b>If Employer does nothing</b>
<b>State award (common rule or single enterprise)</b>	No change – state system continues to apply	Agreement made under state rules	State award continues to apply
<b>State agreement (eg NSW enterprise agreement)</b>	No change – state system continues to apply	Agreement made under state rules	Agreement continues in effect subject to state laws
<b>Federal award</b>	Deemed transitional award and allowable matters continue to apply (Part 6)  superannuation continues until 30/06/08 only  AIRC able to vary wages, allowances in transitional award having regard to AFPC	May negotiate state agreement or decide to revert to state award(s)  may apply to AIRC to be released from federal system if intractable industrial dispute	Transitional award expires and coverage reverts to state system

	decisions		
<b>Federal agreement (Div 3 CA)</b>	Deemed transitional agreement (Sch 13) 5 year nominal expiry date	May negotiate state agreement or decide to revert to state award(s). May apply to AIRC to be released from federal system if intractable industrial dispute	Transitional agreement expires and coverage reverts to state system
<b>Award free</b>	No change	May enter state agreement subject to state rules	Contract of employment continues to apply. State and federal legislation continues to apply

Source: Dick Grozier, Director of Industrial Relations, Australian Business Industrial, [www.WorkplaceInfo.com.au](http://www.WorkplaceInfo.com.au), (provisions of supplied by the Parliamentary Library

