

**CG WORKPLACE – MAY NEWS ALERT****PROPOSED CHANGES TO WORK CHOICES**

Prime Minister John Howard will announce proposed changes to Work Choices laws designed to prevent workers on low to middle incomes from being stripped of work conditions without receiving anything in return.

According to newspapers, the government is going to amend the Work Choices laws for employees earning less than \$75,000 a year and who are on either Australian Workplace Agreements (**AWAs**) or collective agreements. Under the proposed changes, such employees must receive fair compensation if they agree to trade away conditions such as penalty rates, shift loadings, overtime loadings, monetary allowances, annual leave loadings, public holidays, rest breaks and other types of bonuses or incentives.

The compensation will have to be “bona fide” and can include a higher rate of pay, flexible working hours, extra conditions such as car parking spaces, or fewer hours. However, it would be acceptable if a business was struggling and a worker willingly took the job with the five minimum conditions knowing this, and not expecting penalty rates or some other trade-off. Whilst some early commentators suggest the proposed changes to the Work Choices laws effectively revive the former ‘no disadvantage’ test, the likelihood is that this will not be the practical outcome of the proposed changes. The ability to consider factors other than financial factors appears to distinguish the proposed changes from the no-disadvantage test.

The Office of the Employment Advocate, to be renamed the Workplace Authority, will be given stronger powers to conduct a fairness test to ensure employees who sign up to AWAs are awarded fair and adequate compensation by employers.

The Office of Workplace Services, which enforces compliance under Work Choices, will also be renamed the Workplace Ombudsman.

The changes by Mr Howard will apply to all agreements lodged with the Employee Advocate after midnight Monday (May 7) and would not apply to any agreements already in place.

Mr Howard is set to announce full details of the proposed new Work Choices laws later today. We will keep you updated.

In the meantime, if you have any questions or wish to discuss this matter or other matters, please contact:

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