



LEGAL ALERT

CHECKLIST – PREPARATION FOR THE INTRODUCTION OF THE FAIR WORK ACT

In preparation for the full introduction of the Fair Work Act on 1 January 2010, employers should undertake the following:

- STEP 1:** Determine whether any modern awards apply to the company's employees.
- STEP 2:** Compare the terms of modern awards with the terms of current awards or agreements. Determine whether any transitional provisions apply to the modern awards which phase in any changes in pay or penalty rates.
- STEP 3:** Consider the terms of the company's contracts of employment and determine whether they comply with the minimum conditions under the NES and any applicable modern awards.
- STEP 4:** Consider the merit of entering into Individual Flexibility Agreements, providing guarantees of annual earnings (to exclude modern awards for high income earners), annualising salaries (if applicable) or bargaining for a collective agreement.
- STEP 5:** Either update existing contracts of employment/letters of offer or adopt one of the measures at step 4 to ensure that the company's obligations under the NES and modern awards are satisfied.
- STEP 6:** Update policies and procedures to ensure compliance with the NES. If the company has not already done so, the policies should also be updated to take into account the provisions of the Fair Work Act which commenced in 1 July 2009, such as unfair dismissal laws.

If you require advice or any further information, please contact:

Julia Swift
Associate, Employment
T +61 8 8228 1105
E JSwift@cowellclarke.com.au

Sam McGrath
Partner, Employment
T +61 8 8228 1164
E SMcGrath@cowellclarke.com.au

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