THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

WORKPLACE RELATIONS AMENDMENT (EXTENDED PROHIBITION OF
COMPULSORY UNION FEES) BILL 2005

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Employment and Workplace Relations, the
Honourable Kevin Andrews MP)
WORKPLACE RELATIONS AMENDMENT (EXTENDED PROHIBITION OF COMPULSORY UNION FEES) BILL 2005

OUTLINE

The Bill proposes to amend the freedom of association provisions of the Workplace Relations Act 1996 (WR Act) to extend the prohibition on bargaining services fee clauses to State employment agreements to which a constitutional corporation is a party.

To achieve this, the Bill would:

- amend the definition of bargaining services to include services provided by an industrial association in relation to a State employment agreement, and

- provide that a provision of a State employment agreement to which a constitutional corporation is a party is void to the extent that it requires payment of a bargaining services fee.

FINANCIAL IMPACT STATEMENT

The proposals contained in this Bill are budget neutral.
NOTES ON CLAUSES

Clause 1- Short Title

This is a formal provision specifying the short title of the Act as the *Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Act 2005*.

Clause 2- Commencement

This clause provides that sections 1 to 3 will commence on the day on which this Act receives the Royal Assent. Schedule 1 will commence the day after this Act receives the Royal Assent.

Clause 3- Schedules

This clause provides that an Act that is specified in a Schedule is amended or repealed as set out in that Schedule, and any other item in a Schedule operates according to its terms.
SCHEDULE 1- EXTENDING THE PROHIBITION OF COMPULSORY UNION FEES

Workplace Relations Act 1996

Item 1- Subsection 298B(1) (definition of bargaining services)

1.1 This item would repeal the existing definition of bargaining services and substitute an amended definition. The substituted definition would replicate the existing definition as well as extend the definition to provide that bargaining services also means services provided by an industrial association in relation to a State employment agreement, or a proposed State employment agreement.

1.2 The extended definition of bargaining services is intended to cover all aspects of the agreement making process in the States.

Item 2- At the end of section 298Y

1.3 This item would insert a new subsection to provide that a provision of a State employment agreement to which a constitutional corporation is a party is void to the extent that it requires payment of a bargaining services fee.

1.4 New subsection 298Y(4) would clarify the scope of the terms permits and requires as used in section 298Y. The definitions are the same as those contained in existing subsection 298Z(5).

Item 3- Application

1.5 This item would provide that proposed new subsection 298Y(3) applies to all State employment agreements entered into on or after the commencement of the new subsection 298Y(3).