

Fair Work (Norfolk Island) Rule 2016

I, Michaelia Cash, Minister for Employment, make the following rule.

Dated 29 June 2016

Michaelia Cash

Minister for Employment

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1 Name

 This is the *Fair Work (Norfolk Island) Rule 2016*.

2 Commencement

 (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

| Commencement information |
| --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. The whole of this instrument | 1 July 2016. | 1 July 2016 |

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

 (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

 This instrument is made under section 32A of the *Fair Work Act 2009*.

4 Prescribed modifications of Fair Work legislation for its application in relation to Norfolk Island

 (1) For the application of the *Fair Work Act 2009* and the *Fair Work Regulations 2009* in relation to Norfolk Island, the modifications of that Act and those regulations set out in the applicable items of the Schedules to this instrument are prescribed.

 (2) Any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Ongoing modifications of the Fair Work Act 2009 relating to Norfolk Island

Note: See section 4.

Fair Work Act 2009

1 Section 12 (after paragraph (ca) of the definition of *eligible State or Territory court*)

Insert:

 (cb) the Court of Petty Sessions of Norfolk Island;

2 Section 12

Insert:

***Norfolk Island employment*** means employment of an employee in Norfolk Island in connection with an activity (whether of a commercial, governmental or other nature) carried on in Norfolk Island by the employer.

3 Section 12 (definition of *reduction in take‑home pay*)

Repeal the definition, substitute:

***reduction in take‑home pay***:

 (a) in relation to an employee in Norfolk Island employment—see subsection 168M(3); and

 (b) in relation to a transferring employee in relation to a transfer of business referred to in Part 6‑3A—see subsection 768BR(3).

4 Section 12 (definition of *take‑home pay*)

Repeal the definition, substitute:

***take‑home pay***:

 (a) in relation to an employee in Norfolk Island employment—see subsection 168M(2); and

 (b) in relation to a transferring employee in relation to a transfer of business referred to in Part 6‑3A—see subsection 768BR(2).

5 Section 12 (definition of *take‑home pay order*)

Repeal the definition, substitute:

***take‑home pay order***:

 (a) in relation to an employee in Norfolk Island employment—see subsection 168N(1); and

 (b) in relation to a transferring employee in relation to a transfer of business referred to in Part 6‑3A—see subsection 768BS(1).

6 At the end of section 14

Add:

Employers of public sector employees in Norfolk Island

 (8) Despite paragraph (1)(f), a person who is an employer, within the meaning of the *Industrial Relations Act 1996* (NSW), is not a national system employer merely because the person employs, or usually employs, a public sector employee, within the meaning of that Act, in connection with an activity the person carries on in Norfolk Island.

Note: This subsection does not affect the person’s status as a national system employer if the person is a national system employer apart from paragraph (1)(f).

 (9) To avoid doubt, subsection (8) does not prevent either of the following from being a national system employer:

 (a) the Norfolk Island Regional Council;

 (b) a body established for a public purpose by or under a law in force in Norfolk Island other than a law of New South Wales in force in Norfolk Island because of section 18A of the *Norfolk Island Act 1979*.

7 At the end of Division 4 of Part 1‑2

Add:

23B Terms defined by reference to the *Corporations Act 2001*

 For the purposes of interpreting an expression in this Act whose meaning is affected by the *Corporations Act 2001*, it is to be assumed that Norfolk Island were included for all purposes in the area covered by the definition of ***this jurisdiction*** in section 9 of that Act.

Note: Examples of expressions in this Act whose meaning is affected by the *Corporations Act 2001* are:

(a) “associated entity”, “franchise” and “related body corporate” (see the definitions of those expressions in section 12);

(b) “wholly‑owned subsidiary” (see subsections 14(2) and (6)).

8 At the end of Part 2‑2

Add:

Division 14—Operation of the National Employment Standards in relation to Norfolk Island employment

Subdivision A—What service counts for entitlements

131A Counting service before 1 July 2016 for non‑accruing entitlements

General rule

 (1) An employee’s service in Norfolk Island employment with an employer before 1 July 2016 counts as service of the employee with the employer for the purpose of determining the employee’s entitlements under the National Employment Standards, other than entitlements to:

 (a) paid annual leave; and

 (b) paid personal/carer’s leave; and

 (c) notice of termination or payment in lieu of notice.

Note 1: References to the National Employment Standards include a reference to the extended parental leave provisions and the extended notice of termination provisions (see sections 746 and 761).

Note 2: Interaction between the National Employment Standards and transitional NI instruments under Schedule 1A is dealt with in that Schedule.

Note 3: Entitlements to paid annual leave, paid personal/carer’s leave and notice of termination or payment in lieu of notice are dealt with in section 131B and Subdivision B.

No double entitlement

 (2) If, before 1 July 2016, the employee has already had the benefit of an entitlement, the amount of which was calculated by reference to a period of service, subsection (1) does not result in that period of service with the employer being counted again when calculating the employee’s entitlements of that kind under the National Employment Standards.

Limitation on application of general rule to redundancy pay

 (3) Subsection (1) does not apply in relation to an employee and an employer for the purposes of Subdivision B of Division 11 of the National Employment Standards (which deals with redundancy pay) if the terms and conditions of employment that applied to the employee’s employment by the employer immediately before 1 July 2016 did not provide for an entitlement to redundancy pay.

131B Counting service only on or after 1 July 2016 for accrual of certain entitlements under the National Employment Standards

 (1) For the purpose of determining the accrual of entitlements to the following under the National Employment Standards for Norfolk Island employment, only service in that employment on or after 1 July 2016 counts:

 (a) paid annual leave;

 (b) paid personal/carer’s leave;

 (c) notice of termination or payment in lieu of notice.

 (2) Paragraphs (1)(a) and (b) do not limit Subdivision B (which deals with leave accrued or started before 1 July 2016).

 (3) For the purposes of sections 119, 121 and 122 (which deal with redundancy pay), so far as they relate to an employee’s Norfolk Island employment, only service in such employment on or after 1 July 2016 counts.

 (4) Subsection (3) does not apply if the terms and conditions of the employee’s Norfolk Island employment immediately before 1 July 2016 provided for an entitlement to redundancy pay.

Note: In that case, service before 1 July 2016 counts for working out redundancy pay under the National Employment Standards (see subsection 131A(1)).

Subdivision B—Leave accrued or started before 1 July 2016

131C Paid annual leave accrued immediately before 1 July 2016

 (1) The provisions of the National Employment Standards relating to taking of paid annual leave (including rates of pay while taking leave), or cashing out that kind of leave, apply, as a minimum standard, to paid annual leave that:

 (a) accrued before 1 July 2016 for Norfolk Island employment that continued on that day; and

 (b) had not been taken or cashed out before 1 July 2016;

as if it were paid annual leave that had accrued under the National Employment Standards.

 (2) In addition to any paid annual leave that an employee actually accrued before 1 July 2016 for particular Norfolk Island employment that continued on that day, the employee is taken for the purposes of subsection (1) to have accrued before 1 July 2016 for that employment the number of days of paid annual leave worked out using the following formula:



 (3) For the purposes of subsection (2), the period:

 (a) starts at the start of:

 (i) the most recent anniversary (before 1 July 2016) of the day the employee started the employment; or

 (ii) if the employment started on or after 1 July 2015—the day the employment started; and

 (b) ends at the end of 30 June 2016.

However, the period does not include any days for which the employee actually (ignoring subsection (2)) accrued paid annual leave before 1 July 2016.

Leave paid for before 1 July 2016 and taken on or after that day

 (4) If, before 1 July 2016, an employer of an employee in Norfolk Island employment paid the employee the employee’s full entitlement to payment for a period of paid annual leave that accrued before that day and was to be taken on or after that day, the National Employment Standards do not apply to require the employer to pay the employee any more for that leave. This has effect despite subsection (1).

131D Paid personal/carer’s leave accrued immediately before 1 July 2016

 The provisions of the National Employment Standards relating to taking of paid personal/carer’s leave (including rates of pay while taking leave), or cashing out that kind of leave, apply, as a minimum standard, to paid leave that:

 (a) was to be available either:

 (i) for absence from work for ill health; or

 (ii) for a purpose described in paragraph 97(a) or (b); and

 (b) accrued before 1 July 2016 for Norfolk Island employment that continued on that day; and

 (c) had not been taken or cashed out before 1 July 2016;

as if it were paid personal/carer’s leave that had accrued under the National Employment Standards.

131E Continuation of leave started before 1 July 2016

General

 (1) If:

 (a) immediately before 1 July 2016, an employee in Norfolk Island employment is taking a period of leave; and

 (b) there is leave of an equivalent type under the National Employment Standards;

the employee is entitled to continue on leave of the equivalent type under the National Employment Standards for the remainder of the period.

Note: For example, if an employee is taking paid annual leave immediately before 1 July 2016, the employee is entitled to continue on paid annual leave under the National Employment Standards.

 (2) If an employee continues on leave under the National Employment Standards in accordance with subsection (1), the employee is entitled to adjust any of the following consistently with the provisions of the National Employment Standards in relation to that type of leave:

 (a) the amount of leave the employee is taking or will take;

 (b) the time at which the leave is taken;

 (c) the arrangements for taking the leave.

Community service leave

 (3) An employee may, on or after 1 July 2016, be absent from his or her Norfolk Island employment under Division 8 of the National Employment Standards even if the period of absence began before that day.

 (4) If an employee is absent from his or her employment in accordance with subsection (3) of this section, subsection 111(5) of the National Employment Standards applies as if a reference to the first 10 days of absence were a reference to the first 10 days of absence occurring on or after 1 July 2016.

131F Continuation of steps taken before 1 July 2016 for leave on or after that day

Steps taken by employee in Norfolk Island employment

 (1) If, before 1 July 2016:

 (a) an employee in Norfolk Island employment has taken a step that the employee is required to take so that the employee can, on or after 1 July 2016, take leave of a type of which there is an equivalent under the National Employment Standards; and

 (b) an equivalent step is required under the National Employment Standards;

the employee is taken to have taken the step under the National Employment Standards.

 (2) If an employee is taken, by subsection (1), to have taken a step, in relation to leave, under the National Employment Standards, the employee is entitled to adjust the step consistently with the provisions of the National Employment Standards in relation to that type of leave.

Note: For example, an employee could vary the content of a notice given to the employer in relation to the leave, or vary the amount of leave the employee has notified the employer that the employee intends to take.

Steps taken by employer of employee in Norfolk Island employment

 (3) If, before 1 July 2016:

 (a) an employer of an employee in Norfolk Island employment has taken a step that the employer is required to take so that the employee can, on or after 1 July 2016, take leave of a type of which there is an equivalent under the National Employment Standards; and

 (b) an equivalent step is required under the National Employment Standards;

the employer is taken to have taken the step under the National Employment Standards.

 (4) If an employer is taken, by subsection (3), to have taken a step, in relation to leave, under the National Employment Standards, the employer is entitled to adjust the step consistently with the provisions of the National Employment Standards in relation to that type of leave.

Subdivision C—Application of National Employment Standards about notice of termination and redundancy pay

131G Application of National Employment Standards about notice of termination

 (1) Subdivision A of Division 11 of the National Employment Standards (which deals with notice of termination or payment in lieu of notice) applies to terminations of Norfolk Island employment occurring on or after 1 July 2016.

Note: The operation of the Subdivision may be affected by section 131B (which deals with what service counts for that Subdivision).

 (2) However, that Subdivision does not apply to a termination of Norfolk Island employment if notice of the termination was given before 1 July 2016.

131H Application of National Employment Standards about redundancy pay

 Subdivision B of Division 11 of the National Employment Standards (which deals with redundancy pay) applies to terminations of Norfolk Island employment occurring on or after 1 July 2016, even if notice of the termination was given before that day.

Note: The operation of the Subdivision may be affected by sections 131A and 131B (which deal with what service counts for that Subdivision depending on whether the terms and conditions of the employee’s employment by the employer immediately before 1 July 2016 provided for an entitlement to redundancy pay).

Subdivision D—Transfers of employment occurring before 1 July 2016

131J Treatment of transfers of employment occurring before 1 July 2016 for later operation of National Employment Standards

 References to a transfer of employment in:

 (a) provisions of the National Employment Standards; and

 (b) subsections 22(5) and (6), as those subsections apply for the purposes of the National Employment Standards;

do not cover a situation where the employee became employed in Norfolk Island employment by the second employer before 1 July 2016.

9 At the end of Part 2‑3

Add:

Division 9—Avoiding reductions in take‑home pay from modern awards applying to Norfolk Island employment

168M Application of modern awards to Norfolk Island employment not intended to reduce take‑home pay

 (1) There is not intended to be a reduction in take‑home pay as a result of a modern award applying on or after 1 July 2018 to an employee in Norfolk Island employment to whom a transitional NI instrument applies on 30 June 2018 under Schedule 1A.

 (2) An employee’s ***take‑home pay*** is the pay an employee actually receives:

 (a) including wages and incentive‑based payments, and additional amounts such as allowances and overtime; but

 (b) disregarding the effect of any deductions that are made as permitted by section 324.

Note: Deductions permitted by section 324 may (for example) include deductions under salary sacrificing arrangements.

 (3) An employee in Norfolk Island employment suffers a ***reduction in take‑home pay*** if, and only if:

 (a) on 30 June 2018 a transitional NI instrument applies to the employee under Schedule 1A; and

 (b) on and after 1 July 2018 a modern award applies to the employee; and

 (c) on and after 1 July 2018 the employee is employed in the same position as (or a position that is comparable to) the position he or she was employed in on 30 June 2018; and

 (d) the amount of the employee’s take‑home pay for working particular hours or for a particular quantity of work after 30 June 2018 is less than what would have been the employee’s take‑home pay for those hours or that quantity of work on 30 June 2018; and

 (e) that reduction in the employee’s take‑home pay is attributable to the termination of the transitional NI instrument and the application of the modern award.

Note: At the end of 30 June 2018:

(a) transitional NI instruments are terminated by Schedule 1A; and

(b) the limitation under subsection 47(2A) on modern awards applying to employees in Norfolk Island employment ends.

168N Orders remedying reductions in take‑home pay

 (1) If the FWC is satisfied that an employee, or a class of employees, to whom a modern award applies has suffered a reduction in take‑home pay as described in subsection 168M(3), the FWC may make any order (a ***take‑home pay order***) requiring, or relating to, the payment of an amount or amounts to the employee or employees that the FWC considers appropriate to remedy the situation.

General provisions

 (2) The FWC may make a take‑home pay order only on application by:

 (a) an employee who has suffered a reduction in take‑home pay as described in subsection 168M(3); or

 (b) an organisation that is entitled to represent the industrial interests of such an employee; or

 (c) a person acting on behalf of a class of such employees.

 (3) If the FWC is satisfied that an application for a take‑home pay order has already been made in relation to an employee or a class of employees, the FWC may dismiss any later application that is made under these provisions in relation to the same employee or employees.

168P Ensuring that take‑home pay orders are confined to the circumstances for which they are needed

 (1) The FWC must not make a take‑home pay order under section 168N in relation to an employee or class of employees if:

 (a) the FWC considers that the reduction in take‑home pay is minor or insignificant; or

 (b) the FWC is satisfied that the employee or employees have been adequately compensated in other ways for the reduction.

 (2) The FWC must ensure that a take‑home pay order is expressed so that:

 (a) it does not apply to an employee unless the employee has actually suffered a reduction in take‑home pay as described in section 168M; and

 (b) if the take‑home pay payable to the employee under the modern award increases after the order is made, there is a corresponding reduction in any amount payable to the employee under the order.

168Q Contravening a take‑home pay order

 A person must not contravene a term of a take‑home pay order made under section 168N that applies to the person.

Note 1: This section is a civil remedy provision (see Part 4‑1).

Note 2: A civil penalty cannot be imposed for contravention of a term of a take‑home pay order made under section 168N (see sections 545 and 546).

168R Take‑home pay order continues to have effect so long as modern award continues to cover the employee or employees

 A take‑home pay order made under section 168N in relation to an employee or class of employees to whom a particular modern award applies continues to have effect in relation to those employees (subject to the terms of the order) for so long as the modern award continues to cover the employee or employees, even if it stops applying to the employee or employees because an enterprise agreement starts to apply.

168S Inconsistency between enterprise agreements and take‑home pay orders and modern awards

 An enterprise agreement has no effect in relation to an employee to the extent that it is less beneficial to the employee than the combination of:

 (a) a take‑home pay order made under section 168N that applies to the employee; and

 (b) the modern award that applies to the employee.

Division 10—Operation of modern awards made before 1 July 2016 in relation to Norfolk Island

168T References to Australia in modern awards made before 1 July 2016

 On and after 1 July 2016, a reference to Australia in a modern award made before that day has the same meaning as a reference in this Act to Australia has on and after that day.

Note: Accordingly, a reference to Australia in a modern award includes a reference to Norfolk Island.

10 At the end of Division 2 of Part 2‑7

Add:

306A References to Australia in equal remuneration orders made before 1 July 2016

 On and after 1 July 2016, a reference to Australia in an equal remuneration order made before that day has the same meaning as a reference in this Act to Australia has on and after that day.

Note: Accordingly, a reference to Australia in an equal remuneration order includes a reference to Norfolk Island.

11 Subsection 539(2) (after table item 5)

Insert:

|  |
| --- |
| Part 2‑3—Modern awards |
| 5A | section 168Q | (a) an employee;(b) an employee organisation;(c) an inspector | (a) the Federal Court;(b) the Federal Circuit Court;(c) an eligible State or Territory court | Nil |

12 After paragraph 541(3)(b)

Insert:

 (ba) a term or provision of a take‑home pay order made under section 168N;

13 After subsection 545(5)

Insert:

Court cannot order civil penalty for contravention of take‑home pay order made under section 168N

 (6) A court cannot make an order under this section that:

 (a) relates to a contravention or proposed contravention of section 168Q (which deals with compliance with a take‑home pay order made under section 168N, which is about avoiding reductions in take‑home pay from modern awards applying to Norfolk Island employment); and

 (b) amounts to a civil penalty.

14 After subsection 546(5)

Insert:

Court cannot make pecuniary penalty order for contravention of take‑home pay order made under section 168N

 (6) A court cannot make a pecuniary penalty order for a contravention of section 168Q (which deals with compliance with a take‑home pay order made under section 168N, which is about avoiding reductions in take‑home pay from modern awards applying to Norfolk Island employment).

Schedule 2—Transient modifications of Fair Work legislation relating to Norfolk Island

Note: See section 4.

Part 1—Modifications

Fair Work Act 2009

1 Section 29 (heading)

Repeal the heading, substitute:

29 Interaction of modern awards, enterprise agreements and transitional NI instruments with State and Territory laws

2 Subsections 29(1), (2) and (3)

Omit “or enterprise agreement”, substitute “, enterprise agreement or transitional NI instrument under Schedule 1A”.

3 Subsection 29(3)

Omit “as a law to which modern awards and enterprise agreements are not subject”, substitute “for the purposes of this subsection”.

4 After subsection 47(2)

Insert:

Modern awards do not apply in relation to Norfolk Island for a period

 (2A) Despite subsection (1), a modern award does not apply to an employee (or to an employer, or an employee organisation, in relation to the employee) in the period starting at the start of 1 July 2016 and ending at the end of 30 June 2018 so far as the employee is employed, or usually employed, in Norfolk Island employment.

Note: This does not prevent a modern award from covering an employee, employer or employee organisation in that period.

 (2B) Despite subsection (1), a modern award does not apply to an outworker entity in the period starting at the start of 1 July 2016 and ending at the end of 30 June 2018 in relation to an outworker performing work in Norfolk Island.

Note: This does not prevent a modern award from covering an outworker entity in that period.

5 At the end of Division 12 of Part 2‑2

Add:

125A Fair Work Information Statement for Norfolk Island employment

Statement need be given only to employees starting after 30 June 2016

 (1) So far as it relates to Norfolk Island employment, the obligation in section 125 for an employer to give an employee the Fair Work Information Statement applies to an employee who starts Norfolk Island employment with the employer on or after 1 July 2016.

Special statement relating to Norfolk Island employment

 (2) The Fair Work Ombudsman may prepare, and publish in the Gazette, a statement of information about any or all of the following matters, so far as they relate to Norfolk Island employment:

 (a) matters described in subsection 124(2);

 (b) matters of content prescribed by regulations for the purposes of subsection 124(4).

 (3) If the Fair Work Ombudsman prepares and publishes a statement under subsection (2), section 125 has effect, in relation to an employer who employs an employee in Norfolk Island employment, as if the references in that section to the Fair Work Information Statement:

 (a) were references to the statement under subsection (2), if that statement is about all the matters described in that subsection; or

 (b) included references to the statement under subsection (2), if that statement is not about all the matters described in that subsection.

6 At the end of Part 2‑6

Add:

Division 5—National minimum wages for Norfolk Island employment for 2016‑17 financial year

299A National minimum wages for Norfolk Island for 2016‑17 financial year

 For the period starting at the start of 1 July 2016 and ending at the end of 30 June 2017, this Act has effect in relation to an award/agreement free employee employed, or usually employed, in Norfolk Island employment as if the national minimum wage, and each special national minimum wage, were 85% of that wage set by the national minimum wage order that comes into operation on 1 July 2016.

7 At the end of Division 1 of Part 3‑2

Add:

381A Application of this Part to dismissal from Norfolk Island employment

 This Part applies in relation to a dismissal from Norfolk Island employment that occurs on or after 1 July 2016.

8 After subsection 384(1)

Insert:

 (1A) In working out the period of employment of an employee in Norfolk Island employment by an employer, assume that:

 (a) section 22 and subsection (2) of this section had extended to Norfolk Island before 1 July 2016; and

 (b) employment of the employee in Norfolk Island employment by an employer before 1 July 2016 had been employment of the employee as a national system employee by a national system employer.

Note: If, on that assumption, the employee would on or after 1 July 2016 have completed a period of continuous service with the employer starting before 1 July 2016, the whole of that period is the employee’s period of employment.

9 Subsection 539(2) (at the end of the table)

Add:

|  |
| --- |
| Schedule 1A—Transitional NI instruments |
| 38A | clause 24 of Schedule 1A (other than in relation to a contravention or proposed contravention of a term that would be an outworker term if it were included in a modern award) | (a) an employee;(b) an employer;(c) an employee organisation to which the transitional NI instrument concerned applies;(d) an inspector | (a) the Federal Court;(b) the Federal Circuit Court;(c) an eligible State or Territory court | Nil |
| 38B | clause 24 of Schedule 1A (in relation to a contravention or proposed contravention of a term that would be an outworker term if it were included in a modern award) | (a) an employee;(b) an employer;(c) an employee organisation;(d) an inspector | (a) the Federal Court;(b) the Federal Circuit Court;(c) an eligible State or Territory court | Nil |

10 Paragraph 540(3)(a)

Omit “and 14”, substitute “, 14 and 38A”.

11 Subparagraph 540(3)(b)(ii)

After “enterprise agreement”, insert “or transitional NI instrument under Schedule 1A”.

12 Paragraph 540(4)(b)

After “enterprise agreement”, insert “or transitional NI instrument under Schedule 1A”.

13 At the end of subsection 541(3)

Add:

 ; (g) a provision of a transitional NI instrument under Schedule 1A.

14 Paragraph 545(3)(a)

Omit “or a fair work instrument”, substitute “, a fair work instrument or a transitional NI instrument under Schedule 1A”.

15 At the end of section 545

Add:

Court cannot order civil penalty for contravention of transitional NI instrument

 (7) A court cannot make an order under this section that:

 (a) relates to a contravention or proposed contravention of clause 24 of Schedule 1A (which deals with compliance with transitional NI instruments under that Schedule); and

 (b) amounts to a civil penalty.

16 At the end of section 546

Add:

Court cannot make pecuniary penalty order for contravention of transitional NI instrument

 (7) A court cannot make a pecuniary penalty order for a contravention of clause 24 of Schedule 1A (which deals with compliance with transitional NI instruments under that Schedule).

17 Subsection 547(1)

Omit “or a fair work instrument”, substitute “, a fair work instrument or a transitional NI instrument under Schedule 1A”.

18 Subparagraph 548(1A)(a)(i)

Omit “or a fair work instrument”, substitute “, a fair work instrument or a transitional NI instrument under Schedule 1A”.

19 Paragraph 559(1)(a)

Omit “or a fair work instrument”, substitute “, a fair work instrument or a transitional NI instrument under Schedule 1A”.

20 Before Schedule 1

Insert:

Schedule 1A—Continued effect of certain instruments relating to employment in Norfolk Island

Part 1—Preliminary

1 Meanings of *employee* and *employer*

 In this Schedule:

***employee*** means an employee (within the ordinary meaning of the term) employed (or usually employed) in Norfolk Island employment.

***employer*** means an employer (within the ordinary meaning of the term) of an employee in Norfolk Island employment.

***NI collective instrument*** has the meaning given by subclause 2(1).

***NI transitional contract*** has the meaning given by subclause 2(2).

***transitional NI instrument*** means:

 (a) an NI collective instrument; or

 (b) an NI transitional contract.

Part 2—Creation of transitional NI instruments from certain Norfolk Island instruments and contracts

2 Creation of transitional NI instruments

NI collective instruments

 (1) Each of the following becomes an ***NI collective instrument*** at the start of 1 July 2016 and continues in existence in accordance with this Schedule from that time:

 (a) a determination that had effect under the *Public Sector Remuneration Tribunal Act 1992* (Norfolk Island) immediately before 1 July 2016;

 (b) an enterprise agreement, within the meaning of the *Public Service Act 2014* (Norfolk Island), that was in operation under Part 11 of that Act immediately before 1 July 2016.

This has effect despite the repeal of the *Public Sector Remuneration Tribunal Act 1992* (Norfolk Island) and the *Public Service Act 2014* (Norfolk Island).

Note: NI collective instruments may be varied in accordance with Part 3 of this Schedule and terminate on or before 30 June 2018 in accordance with that Part.

NI transitional contracts

 (2) A distinct ***NI transitional contract*** is taken to come into operation at the start of 1 July 2016 for each written employment contract, within the meaning of section 10 of the *Employment Act 1988* (Norfolk Island), that, immediately before that time:

 (a) was in force; and

 (b) complied with the standards and requirements imposed by that Act.

Note: Each NI transitional contract is separate from the employment contract that gave rise to it. The employment contract continues in force independently of the NI transitional contract.

 (3) The NI transitional contract is taken to include the same terms as were in the employment contract immediately before 1 July 2016.

 (4) The NI transitional contract continues in existence in accordance with this Schedule from the start of 1 July 2016.

Note: NI transitional contracts may be varied in accordance with Part 3 of this Schedule and terminate on or before 30 June 2018 in accordance with that Part.

3 Employees, employers etc. who are *covered* by a transitional NI instrument and to whom it *applies*

 (1) An NI collective instrument ***covers***, and ***applies*** to, the same employees, employers and other persons that it would have covered (however described in the instrument) if the Acts described in subclause 2(1) had not been amended or repealed.

Note: Depending on the terms of an NI collective instrument, the instrument’s coverage may extend to people who become employees after the instrument becomes an NI collective instrument.

 (2) An NI transitional contract ***covers***, and ***applies*** to, the same employee and employer as the written employment contract that gave rise to the NI transitional contract.

 (3) This clause has effect subject to:

 (a) the variation or termination of transitional NI instruments as referred to in clause 6; and

 (b) subclause 19(1) (which deals with cessation of coverage by an NI collective instrument if an enterprise agreement or workplace determination starts to apply under this Act).

4 References in transitional NI instruments to the Employment Conciliation Board or the Employment Tribunal

 (1) If a provision of a transitional NI instrument confers a power or function on the Employment Conciliation Board or the Employment Tribunal (however described) referred to in the *Employment Act 1988* (Norfolk Island) that provision has effect on and after 1 July 2016 as if references in that provision to the Board or Tribunal were instead references to the FWC.

 (2) This clause has effect subject to a contrary intention in this Act.

5 No loss of accrued rights or liabilities when transitional NI instrument terminates or ceases to apply

 (1) If a transitional NI instrument terminates, or ceases to apply in relation to a person, that does not affect:

 (a) any right or liability that a person acquired, accrued or incurred before the transitional NI instrument terminated or ceased to apply; or

 (b) any investigation, legal proceeding or remedy in respect of any such right or liability.

 (2) Any such investigation, legal proceeding or remedy may be instituted, continued or enforced as if the transitional NI instrument had not terminated or ceased to apply.

 (3) This clause has effect subject to a contrary intention in this Act.

Part 3—Variation and termination of transitional NI instruments

6 Transitional NI instruments can only be varied or terminated in limited circumstances

 (1) A transitional NI instrument cannot be varied except under:

 (a) a provision of this Part; or

 (b) clause 17(which deals with resolving difficulties with the interaction between transitional instruments and the National Employment Standards).

 (2) A transitional NI instrument cannot be terminated (or otherwise brought to an end) except by or under a provision of this Part.

Note: The references in paragraph (1)(a) and subclause (2) to a provision of this Part includes a reference to another provision of this Act as it applies because of a provision of this Part.

7 Variation of transitional NI instruments to remove ambiguities etc.

 (1) On application by a person covered by a transitional NI instrument, the FWC may make a determination varying the instrument:

 (a) to remove an ambiguity or uncertainty in the instrument; or

 (b) to remove terms that are inconsistent with Part 3‑1 of this Act (which deals with general protections), or to vary terms to make them consistent with that Part.

Note: For variation of a transitional NI instrument to resolve an uncertainty or difficulty relating to the interaction between the instrument and the National Employment Standards, see clause 17.

 (2) A variation of a transitional NI instrument operates from the day specified in the determination, which may be a day before the determination is made.

8 NI collective instruments: termination by agreement

 Subdivision C of Division 7 of Part 2‑4 of this Act (which deals with termination of enterprise agreements by employers and employees) applies in relation to an NI collective instrument as if a reference to an enterprise agreement included a reference to an NI collective instrument.

9 NI collective instruments: termination by the FWC

 (1) Subdivision D of Division 7 of Part 2‑4 of this Act (which deals with termination of enterprise agreements after their nominal expiry date) applies in relation to an NI collective instrument as if a reference to an enterprise agreement included a reference to an NI collective instrument.

 (2) For the purposes of the application of that Subdivision to an NI collective instrument, the agreement’s nominal expiry date is taken to be:

 (a) the end of the period specified in the instrument as the period for which it has effect (however described); or

 (b) if the instrument does not specify the period for which it has effect—1 July 2016.

10 NI transitional contracts: termination by agreement

 (1) The employee and employer covered by an NI transitional contract may make a written agreement (a ***termination agreement***) to terminate the contract in accordance with the following requirements:

 (a) the termination agreement must be signed by the employee and the employer;

 (b) if the employee is under 18, it must also be signed by a parent or guardian of the employee;

 (c) the signatures must be witnessed.

 (2) The termination has no effect unless it has been approved by the FWC.

 (3) The employer or employee may apply to the FWC for approval of the termination agreement. The application must be made:

 (a) within 14 days after the termination agreement was made; or

 (b) if in all the circumstances the FWC considers it fair to extend that period—within such further period as the FWC allows.

 (4) If an application for the FWC to approve the termination agreement is made under subclause (3), the FWC must approve the termination of the NI transitional contract if:

 (a) the FWC is satisfied that the requirements of subclause (1) have been complied with; and

 (b) the FWC is satisfied that there are no other reasonable grounds for believing that the employee has not agreed to the termination.

 (5) If the termination is approved under subclause (4), the termination operates from the day specified in the decision to approve the termination.

11 NI transitional contracts: termination at end of employment

 If the employee covered by an NI transitional contract ceases to be employed under the written employment contract that gave rise to the NI transitional contract, the NI transitional contract terminates on that cessation.

12 NI transitional contracts: termination conditional on enterprise agreement

 (1) This clause provides for the making of an instrument (a ***conditional termination***) that will have the effect of terminating an NI transitional contract if:

 (a) an enterprise agreement (the ***proposed enterprise agreement***) is made that covers the employee and the employer; and

 (b) the proposed enterprise agreement comes into operation.

 (2) The conditional termination must be in writing and signed either by the employee or the employer. The signature must be witnessed.

 (3) If the conditional termination is signed by the employee, and the employee is under 18, it must also be signed by a parent or guardian of the employee.

 (4) The employer must give the employee a copy of the conditional termination if the conditional termination is signed by the employer.

Note: Failure to comply with this obligation does not affect the operation of subclause (6).

 (5) The conditional termination must accompany any application to the FWC for approval of the proposed enterprise agreement under section 185.

Note: Failure to comply with this obligation does not affect the operation of subclause (6), or the validity of an approval by the FWC of the proposed enterprise agreement.

 (6) If the requirements of subclauses (2) and (3) have been complied with in relation to the conditional termination, the NI transitional contract terminates when the proposed enterprise agreement comes into operation.

13 Termination of all transitional NI instruments at the end of 30 June 2018

 A transitional NI instrument that has not already been terminated before the end of 30 June 2018 terminates at the end of 30 June 2018.

14 Effect of termination

 (1) If a transitional NI instrument terminates, it ceases to cover and apply to any employees, employers or other persons (and can never again cover or apply to any of them).

 (2) However, the termination of a transitional NI instrument covering or applying to an employee and his or her employer does not terminate the employment of the employee by the employer.

Note: After the termination of a transitional NI instrument applying to an employee and his or her employer, the terms of the employee’s employment will continue to be subject to the National Employment Standards, national minimum wage orders and any enterprise agreement that applies to the employee and employer.

Part 4—Other effects of transitional NI instruments

Division 1—Interaction between transitional NI instruments and the National Employment Standards

15 The no‑detriment rule

 (1) To the extent that a term of a transitional NI instrument is detrimental to an employee, in any respect, when compared to an entitlement of the employee under the National Employment Standards, the term of the transitional NI instrument is of no effect.

Note 1: A term of a transitional NI instrument that provides an entitlement that is at least as beneficial to an employee as a corresponding entitlement of the employee under the National Employment Standards will continue to have effect.

Note 2: Division 3 (which contains other general provisions about how this Act applies in relation to transitional NI instruments) is also relevant to how the National Employment Standards apply in relation to employees to whom transitional NI instruments apply.

Note 3: References to the National Employment Standards include a reference to the extended parental leave provisions and the extended notice of termination provisions (see sections 746 and 761).

 (2) If there is a dispute about the application of this item that must be resolved by the FWC in accordance with clause 17, the FWC may compare the entitlements which are in dispute:

 (a) on a “line‑by‑line” basis, comparing individual terms; or

 (b) on a “like‑by‑like” basis, comparing entitlements according to particular subject areas; or

 (c) using any combination of those bases the FWC sees fit.

 (3) Subclause (1) does not affect a term of a transitional NI instrument that is permitted by a provision of the National Employment Standards as it has effect under clause 16.

16 Provisions of the National Employment Standards that allow instruments to contain particular kinds of terms

 (1) The following provisions of the National Employment Standards have effect as if a reference to a modern award or an enterprise agreement included a reference to a transitional NI instrument:

 (a) section 63 (which allows terms dealing with averaging of hours of work);

 (b) section 93 (which allows terms dealing with cashing out and taking paid annual leave);

 (c) section 101 (which allows terms dealing with cashing out paid personal/carer’s leave);

 (d) subsection 107(5) (which allows terms dealing with evidence requirements for paid personal/carer’s leave etc.);

 (e) subsection 115(3) (which allows terms dealing with substitution of public holidays);

 (f) section 118 (which allows terms dealing with an employee giving notice to terminate his or her employment);

 (g) subsections 121(2) and (3) (which allow terms specifying situations in which the redundancy pay entitlement under section 119 does not apply);

 (h) section 126 (which allows terms providing for school‑based apprentices and trainees to be paid loadings in lieu).

 (2) If:

 (a) a transitional NI instrument includes terms referred to in subsection 93(1) or 101(1) (of the National Employment Standards); but

 (b) the terms do not include the requirements referred to in subsection 93(2) or 101(2) (of the National Employment Standards), as appropriate;

the instrument is taken to include terms that include the requirements.

17 Resolving difficulties about application of this Division

 (1) On application by a person coveredby a transitional NI instrument, the FWC may make a determination varying the transitional NI instrument:

 (a) to resolve an uncertainty or difficulty relating to the interaction between the instrument and the National Employment Standards; or

 (b) to make the instrument operate effectively with the National Employment Standards.

 (2) A variation of a transitional NI instrument operates from the day specified in the determination, which may be a day before the determination is made.

18 Division does not affect transitional NI instruments before 1 July 2016

 This Division (including determinations under clause 17) does not affect the operation of a transitional NI instrument at any time before 1 July 2016.

Division 2—Interaction between transitional NI instruments and enterprise agreements or workplace determinations under this Act

19 Enterprise agreements or workplace determinations under this Act, and transitional NI instruments

NI collective instruments

 (1) If an enterprise agreement or workplace determination (under this Act) starts to apply to an employee, or an employer or other person in relation to the employee, then an NI collective instrument ceases to cover (and can never again cover) the employee, or the employer or other person in relation to the employee.

Note: The fact that an NI collective instrument applies to employees does not prevent those employees and their employer from replacing that instrument at any time with an enterprise agreement.

NI transitional contracts

 (2) While an NI transitional contract applies to an employee, or to an employer in relation to the employee, an enterprise agreement or workplace determination (under this Act) does not apply to the employee, or to the employer in relation to the employee.

Division 3—Other general provisions about how this Act applies in relation to transitional NI instruments

20 Employee’s ordinary hours of work

Object of this clause

 (1) For the purposes of this Act, the ordinary hours of work of an employee to whom a transitional NI instrument applies are to be determined in accordance with this clause.

Ordinary hours as specified in transitional NI instrument

 (2) If a transitional NI instrument that applies to the employee specifies, or provides for the determination of, the employee’s ordinary hours of work, the employee’s ***ordinary hours of work*** are as specified in, or determined in accordance with, that instrument.

If subclause (2) does not apply and there is agreement

 (3) If subclause (2) does not apply, the employee’s ***ordinary hours of work*** are the hours agreed by the employee and his or her employer as the employee’s ordinary hours of work.

If subclause (2) does not apply and there is no agreement

 (4) If subclause (2) does not apply but there is no agreement under subclause (3), the ***ordinary hours of work*** of the employee in a week are:

 (a) if the employee is a full time employee—38 hours; or

 (b) if the employee is not a full‑time employee—the lesser of:

 (i) 38 hours; and

 (ii) the employee’s usual weekly hours of work.

If subclause (2) does not apply: agreed hours are less than usual weekly hours

 (5) If:

 (a) subclause (2) does not apply; and

 (b) the employee is not a full‑time employee; and

 (c) there is an agreement under subclause (3) between the employee and his or her employer, but the agreed ordinary hours of work are less than the employee’s usual weekly hours of work;

the ***ordinary hours of work*** of the employee in a week are the lesser of:

 (d) 38 hours; and

 (e) the employee’s usual weekly hours of work.

Usual weekly hours for part‑time employee without usual weekly hours

 (6) Subclauses (7) and (8) have effect for working out the employee’s usual weekly hours of work for the purposes of subparagraph (4)(b)(ii) or paragraph (5)(e) if the employee does not have usual weekly hours of work.

Note: That subparagraph and that paragraph relate only to part‑time employees.

 (7) To work out the usual weekly hours of work for an employee who has been employed by the employer for at least 4 weeks:

 (a) identify the total number of hours that the employee has worked during the previous 4 completed weeks; and

 (b) divide the result by 4.

 (8) To work out the usual weekly hours of work for an employee who has been employed by the employer for less than 4 weeks:

 (a) identify the total number of hours that the employee has worked during the period; and

 (b) divide the result by the number of completed weeks for which the employee has been employed by the employer.

21 National minimum wages

 (1) This section explains the interaction between:

 (a) a transitional NI instrument that applies to an employer and an employee; and

 (b) a national minimum wage order, as affected by section 299A (which deals with wages for the 2016‑17 financial year) if relevant;

so as to avoid doubt about that interaction.

Note: Under sections 294 and 295, the order will require the employer:

(a) to pay the employee a base rate of pay that at least equals the national minimum wage, or special national minimum wage, that applies to the employee; and

(b) if the employee is a casual employee—to pay the employee a casual loading of at least the percentage specified in the order of the employee’s base rate of pay.

If instrument provides for base rate of pay less than national minimum wage

 (2) If the instrument provides for a base rate of pay for the employee less than the national minimum wage, or special national minimum wage, for the employee under the order, the employer must pay the national minimum wage, or special minimum wage, for the employee, despite the instrument.

Note 1: If the employer does not do so, the employer will contravene section 293, which is a civil remedy provision.

Note 2: If the instrument is an NI transitional contract, the base rate of pay is what is described in the contract as the ordinary rate of pay.

If instrument provides for base rate of pay of at least national minimum wage

 (3) If the instrument provides for a base rate of pay for the employee of at least the national minimum wage, or special national minimum wage, for the employee under the order, the employer must pay the employee the base rate of pay in accordance with the instrument.

Note: If the instrument is an NI transitional contract, the base rate of pay is what is described in the contract as the ordinary rate of pay.

If employee is casual employee

 (4) If the employee is a casual employee, the employer must pay the employee a casual loading of:

 (a) the percentage specified in the order of the employee’s base rate of pay (which will be the greater of the base rate of pay set by the instrument and the national minimum wage, or special national minimum wage, for the employee); or

 (b) if the instrument provides for an amount of casual loading (however described) greater than the amount worked out under paragraph (a)—that greater amount.

Note: If the employer does not do so, the employer will contravene section 293, which is a civil remedy provision.

Other allowances etc. to be paid in accordance with instrument

 (5) The order does not affect any of the following that the instrument provides for:

 (a) incentive‑based payments and bonuses;

 (b) loadings (other than casual loading);

 (c) monetary allowances;

 (d) overtime or penalty rates;

 (e) any other separately identifiable amounts.

22 Payment of wages

 Division 2 of Part 2‑9 of this Act (which deals with payment of wages) applies in relation to a transitional NI instrument as if a reference to an enterprise agreement included a reference to a transitional NI instrument.

23 Application of unfair dismissal provisions

 Part 3‑2 of this Act (which deals with unfair dismissal) applies as if the reference in subparagraph 382(b)(ii) and paragraph 389(1)(b) to an enterprise agreement included a reference to a transitional NI instrument.

Part 5—Compliance with transitional NI instruments

24 Compliance with transitional NI instruments

 A person must not contravene a term of a transitional NI instrument that applies to the person.

Note 1: This clause is a civil remedy provision (see Part 4‑1).

Note 2: A civil penalty cannot be imposed for contravention of a term of a transitional NI instrument (see sections 545 and 546).

Fair Work Regulations 2009

21 Regulation 1.15 (heading)

Repeal the heading, substitute:

1.15 Interaction of modern awards, enterprise agreements and transitional NI instruments with State and Territory laws

22 At the end of subparagraph 1.15(a)(iii)

Add “or”.

23 After subparagraph 1.15(a)(iii)

Insert:

 (iv) are provided for by a transitional NI instrument under Schedule 1A to the Act;

24 At the end of paragraph 1.15(b)

Add:

 or (iv) are provided for by a transitional NI instrument under Schedule 1A to the Act;

25 Regulation 1.15 (note)

Omit “or enterprise agreement”, substitute “, enterprise agreement or transitional NI instrument under Schedule 1A to the Act”.

26 Regulation 1.15 (note)

Omit “as a law to which modern awards and enterprise agreements are not subject”, substitute “for that subsection”.

Part 2—Repeal of this Schedule

27 Repeal of this Schedule

This Schedule is repealed at the start of 2 July 2018.