



Fact Sheet V3 / August 2020

Employment Contracts and Agreements

When employing practice staff, it is essential that practice managers and principals understand their obligations in order to establish successful employment arrangements.

Employment contracts and agreements are required to ensure employers meet state or federal legislation and consideration should be given to:

- legislative requirements
- job descriptions
- pay rates, leave and conditions
- record keeping
- performance management.

State or federal industrial relations systems

Employers and employees working in Western Australia are covered by either the state or federal industrial relations systems, which have different employment laws, awards and minimum conditions.

The Western Australian industrial relations system is regulated by the <u>Industrial Relations Act 1979</u> as well as the <u>Minimum Conditions of Employment Act 1993</u> and state awards apply.

The national workplace relations system is regulated by the <u>Fair Work Act 2009</u> and national modern awards apply.

Certain national employment laws, such as unlawful dismissal, still apply to employees covered by the Western Australian industrial relations system.

Which system applies to your practice?

Determining if your practice is in the state or federal industrial relations system will be based on whether the business is a constitutional corporation.

The Western Australian system covers employers who are not constitutional corporations and their employees. In general terms, this includes employers who are sole traders, unincorporated partnerships and unincorporated trust arrangements.

The national system broadly covers employers who are constitutional corporations and their employees.

You should seek legal advice to determine whether your practice is governed by the state or federal industrial relations system and the associated conditions of employment.

Conditions of employment

The Western Australian industrial relations system

In the Western Australian system, all employees are covered by one of the following employment arrangements:

- State awards applying to certain industries and occupations.
- Registered industrial agreements applying to specific businesses.
- Registered employer/employee agreements applying to individual employees.
- Common-law contracts of employment where no award or agreement applies.

The national workplace relations system

Since 1 January 2010, employers and employees in the national workplace relations system have been covered by the <u>National Employment Standards</u>, which outline the minimum entitlements that must be provided.

Together with pay rates in modern awards and minimum wage orders, the National Employment Standards provide a safety net that cannot be altered to disadvantage employees.

In addition to the National Employment Standards, an employee's terms and conditions of employment can come from:

- modern awards
- agreements
- pre-modern awards
- state or federal laws.

Further information

To find out more about employment contracts and agreements for your practice, visit the links below:

- <u>The Western Australian industrial relations system</u>
- <u>The national workplace relations system</u>
- The National Employment Standards Introduction

Whilst all care has been taken in preparing this document, this information is a guide only and subject to change without notice.

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