Workplace Relations Amendment (Work Choices) Bill 2005

(Amendments to be moved by Senator Murray on behalf of the Australian Democrats in committee of the whole)

(1) Clause 2, page 2 (after table item 4), insert:

4A. Schedule 3A A single day to be fixed by Proclamation. However, if any of the provision(s) do not commence within the period of 6 months beginning on the day on which this Act receives the Royal Assent, they commence on the first day after the end of that period.

[commencement]

(2) Schedule 1, item 2, page 13 (after line 6), after the definition of organisation, insert:

outworker means:

(a) a person directly or indirectly engaged to perform work in the textile, clothing and footwear industry and who performs the work in or about a private residence or other premises that are not necessarily the business or commercial premises of anyone who is obliged to pay for the work performed;

(b) a person is an outworker notwithstanding the nature or form of any contractual arrangement under which the person is engaged to perform work;

(c) a person is an outworker notwithstanding that the person performs work as, through or for a business entity of any description.

Note: A business entity includes:

(a) an Australian Business Number;

(b) a company;

(c) a trust;

(d) a business partnership;

(e) a corporation sole.

[definition]
(3) Schedule 1, item 2, page 17 (after line 2), after the definition of **State or Territory industrial law**, insert:

*State or Territory outworkers industry provision* means any provision or entitlement that applies in relation to an outworker, the performance of outwork or the contracting of work in the textile, clothing and footwear industry, and any provision or entitlement which is expressed to have general application to employees insofar as it applies in relation to an outworker, the performance of outwork or the contracting of work, found in:

(a) the *Victorian Outworkers (Improved Protection) Act 2003* (including any regulation or other instruments made pursuant to that Act); or

(b) the *Industrial Relations Act 1996* of New South Wales (including any regulations or other instruments made pursuant to that Act); or

(c) the *Industrial Relations (Ethical Clothing Trades) Act 2001* of New South Wales (including any regulations or other instruments made pursuant to that Act); or

(d) the *Industrial Relations Act 1999* of Queensland (including any regulations or other instruments made pursuant to that Act); or

(e) the *Fair Work Act 1994* of South Australia (including any regulations or other instruments made pursuant to that Act); or

(f) any other State or Territory industrial law (including any regulation or other instruments made pursuant to any such law) or State or Territory industrial instruments; or

(g) any other document or instrument.

[definition]

(4) Schedule 1, item 3, page 19 (after line 31), at the end of section 4AA, add:

(5) In this Act **employee** includes an outworker and an outworker is an employee. A reference to an employee includes a reference to an outworker.

[definition]

(5) Schedule 1, item 3, page 21 (after line 3), at the end of section 4AB, add:

(4) In this Act a person or entity who directly or indirectly engages an outworker is an employer and the contract between an outworker and a person or entity who directly or indirectly engages him or her is a contract of employment.

[definition]

(6) Schedule 1, item 3, page 21, (after line 15), at the end of section 4AC, add:

(3) The conditions on or under which an outworker performs work are conditions of employment.

(4) The relationship between an outworker and a person or entity who directly or indirectly engages him or her is an employment relationship.

[employment]

(7) Schedule 1, item 9, page 26 (after line 8), at the end of section 7C, add:

(6) Subsection (1) does not apply to a law of a State or Territory insofar as the law is a State or Territory outworkers industry provision.

[outworkers]
(8) Schedule 1, item 170, page 385 (line 27), after “award”, insert “including the Clothing Trades Award 1999 as it operates pursuant to Division 1A of Part XVI”.

[definition]

(9) Schedule 1, item 170, page 385 (after line 30), at the end of paragraph (a) of the definition of applicable provision, add:

(vi) a breach of a provision of Division 1D of Part XVI which provides that a person or entity is liable for unpaid remuneration; and

[description]

(10) Schedule 1, item 171, page 389 (after line 3), at the end of section 177AA, add:

(4) Notwithstanding anything contained in subsection (1), (2) or (3), the Textile, Clothing and Footwear Union of Australia has standing to apply for penalties and remedies under this Division in relation to:

(a) a breach of any outworkers industry provision of the Clothing Trades Award 1999;
(b) a breach of a term of the Australian Fair Pay and Conditions Standard when the term applies pursuant to the provisions of section 537H of Division 1A of Part XVI of the Act;
(c) a breach of a provision of Division 1D of Part XVI which provides that a person or entity is liable for unpaid remuneration.

[standing]

(11) Page 673 (after line 27), after Schedule 3, insert:

Schedule 3A—Outworkers in the textile, clothing and footwear industry

Workplace Relations Act 1996

1 Part XVI

Repeal the Part, substitute:

PART XVI—OUTWORKERS IN THE TEXTILE, CLOTHING AND FOOTWEAR INDUSTRY

2 Section 537

Repeal the section, substitute:

537 Objects of Part

The objects of this Part are to:

(a) ensure that all existing protections for outworkers will be reflected in and provided for by this Act;
(b) eliminate the exploitation of outworkers in the textile, clothing and footwear industry and provide protection for these extremely vulnerable workers; and
(c) provide for consistent rights for outworkers and impose consistent obligations upon those who engage outworkers, irrespective of the form or structure of the particular contractual arrangement by which the work of an outworker is managed or controlled and irrespective of which State or Territory the work is performed in; and
(d) provide for the continuation of existing regulation, inspection and enforcement provisions, right of entry powers and prosecution rights of unions in respect of outworkers; and

(e) prevent the avoidance of obligations to outworkers through non bona fide contractual arrangements by making provision for outworkers to recover unpaid monies from parties in the contractual chain.

537A Application of Part

Without affecting its operation apart from this section, this Part applies to:

(a) a constitutional corporation which wholly or partly operates or usually operates in or in connection with the textile, clothing and footwear industry; and

(b) a person or entity who is a party to a contract of service or a contract for services with a constitutional corporation where the person or entity or the constitutional corporation wholly or partly operates or usually operates in or in connection with the textile, clothing and footwear industry; and

(c) a person or entity who directly or indirectly supplies or receives products, materials or labour to or from a constitutional corporation, where the person or entity or the constitutional corporation wholly or partly operates or usually operates in or in connection with the textile, clothing and footwear industry; and

(d) an outworker who performs work directly or indirectly for a constitutional corporation where the outworker or the constitutional corporation wholly or partly operates or usually operates in or in connection with the textile, clothing and footwear industry; and

(e) an employer, as described in section 4AB or an employee as described in section 4AA, who wholly or partly operates or usually operates in or in connection with the textile, clothing and footwear industry; and

(f) as far as the referral of certain matters to the Parliament of the Commonwealth by the Commonwealth Powers (Industrial Relations) Act 1996 of Victoria permits:
   (i) a person or entity who wholly or partly operates or usually operates in or in connection with the textile, clothing and footwear industry in Victoria; or
   (ii) an outworker in Victoria.

537B Effect of Part in relation to other provisions in Act and other Acts

(1) A provision contained in this Part prevails over any other provision of this Act (including any regulations or other instrument made pursuant to this Act) to the extent of any inconsistency.

(2) A provision contained in this Part prevails over any other provision of any other law of the Commonwealth (including any regulations or other instruments) to the extent of any inconsistency.

(3) Those parts of the definition of employee, employer and employment in this Act which relate to an outworker apply in respect of all Commonwealth laws (including regulations and other instruments) which apply to employees, employers or employment unless the same kind of provision is contained in a State or Territory outworkers industry provision.

(4) Those parts of the definition of employee, employer and employment in this Act which relate to an outworker apply in respect of all State and Territory laws (including regulations and other instruments) which apply to employees, employers or employment unless the same kind of provision is contained in a State or Territory outworkers industry provision.
537C Relationship of Part to state laws, awards etc.

An entitlement conferred by this Part or an obligation imposed by this Part does not apply if the same kind of entitlement or obligation is conferred or imposed by a law of a State or Territory outworkers industry provision.

537D Definitions

In this Part:

outworker means:

(a) a person directly or indirectly engaged to perform work in the textile, clothing and footwear industry and who performs the work in or about a private residence or other premises that are not necessarily the business or commercial premises of anyone who is obliged to pay for the work performed;

(b) a person is an outworker notwithstanding the nature or form of any contractual arrangement under which the person is engaged to perform work;

(c) a person is an outworker notwithstanding that the person performs work as, through or for a business entity of any description.

Note: business entity includes

(a) an Australian Business Number
(b) a company;
(c) a trust;
(d) a business partnership;
(e) a corporation sole.

outworker industry provision means any provision or entitlement that applies in relation to an outworker, the performance of outwork or the contracting of work in the textile, clothing and footwear industry, and any provision or entitlement which is expressed to have general application to employees insofar as it applies in relation to an outworker, the performance of outwork or the contracting of work.

Division 1A—Clothing Trades Award 1999

537E Application of Clothing Trades Award

(1) In addition to its operation pursuant to any other provisions of this Act, the provisions of the Federal Clothing Trades Award 1999 as at the date of commencement of this section which are outworkers industry provisions, other than clauses 5, 6, 7, 8 and 45, apply to and bind:

(a) all persons and entities to which this Part applies; and
(b) the Textile, Clothing and Footwear Union of Australia and its members.

(2) For the purposes of the provisions of the Clothing Trades Award 1999 in operation pursuant to subsection (1):

employer has the meaning given in section 4AB.

Outworker has the meaning given in section 537D.

work means work in the textile, clothing and footwear industry.

respondent means a person or entity bound by the Clothing Trades Award 1999;
**non-respondent** means a person or entity not bound by the Clothing Trades Award 1999.

**ordinary working week** means the hours and days occurring between midnight on Sunday and midnight on Friday.

(3) A person or entity bound by the Clothing Trades Award 1999 must not enter into any contract, agreement, deed, memorandum of understanding or arrangement for the performance of work in the textile, clothing and footwear industry which contains any term or condition which is less favourable than an outworker industry provision of the Clothing Trades Award 1999 in relation to an outworker.

Note: This subsection is a civil penalty provision.

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537F Operation of Act in relation to Clothing Trades Award

Without limiting the generality of subsections 537B(1) and (2):

(a) nothing contained in Division 2 or Division 3 of Part VI of this Act shall be taken to limit or alter any outworker industry provision of the Clothing Trades Award 1999; and

(b) the provisions contained in Division 4 of Part VI of this Act do not apply in relation to any outworker industry provision in the Clothing Trades Award 1999;

(c) the provisions contained in Division 5 of Part VI of this Act do not apply in relation to any outworker industry provision in the Clothing Trades Award 1999, except that:

(i) the provisions of subsections 119A(1), (2) and (3) and paragraph (4)(a) apply, however they are not subject to the conditions set out in paragraph119A(4)(b); and

(ii) the provisions of section 119B apply; and

(d) subsection 121A(1) and paragraphs 121A(2)(a) and 121A(2)(b) do not apply in relation to any outworker industry provision in the Clothing Trades Award 1999; and

(e) Part VIAA of does not apply in relation to any outworker industry provision in the Clothing Trades Award 1999; and

(f) Schedules 13, 14, 15, and 16 do not apply in relation to any outworker industry provision in the Clothing Trades Award 1999; and

(g) Part VIIA does not apply in relation to any outworkers industry provision in the Clothing Trades Award 1999; and

(h) Part XV does not apply in relation to any outworkers industry provision in the Clothing Trades Award 1999; and

(i) the Industrial Relations Commission may continue to perform any function required, allowed or permitted by the Clothing Trades Award 1999 notwithstanding any other provision of this Act.

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537G Relationship between Clothing Trades Award 1999 and Australian Fair Pay and Conditions Standard

(1) Subject to subsection (2), Parts IA and VA do not apply insofar as a person or entity is bound by any outworker industry provision of the Clothing Trades Award 1999.

(2) In the event that any of the minimum entitlements under the Australian Fair Pay and Conditions Standard provided for in section 89 is more generous to an outworker than any corresponding entitlement under an outworker industry provision in the Clothing Trades Award 1999:
(a) an outworker’s entitlement under the Clothing Trades Award 1999 ceases to have
effect and the corresponding more generous entitlement under the Australian Fair
Pay and Conditions Standard has effect; and
(b) a person or entity bound by the Clothing Trades Award 1999 which otherwise
would have been required to comply with the entitlement under the Clothing Trades
Award 1999 is required to comply with the corresponding more generous
Australian Fair Pay and Conditions Standard; and
(c) a person or entity bound by the Clothing Trades Award 1999 must not enter into
any contract, agreement, deed, memorandum of understanding or arrangement for
the performance of work in the textile, clothing and footwear industry which
contains any term or condition which is less favourable than the corresponding
more generous provision of the Australian Fair Pay and Conditions Standard.

Note: This paragraph is a civil penalty provision.

(3) In this section, more generous has the same meaning as in section 117C.

Division 1B—AWAs and workplace agreements for outworkers

537H Workplace agreements or AWAs for outworkers prohibited

(1) The provisions contained in Part VB of this Act insofar as they relate to AWAs and
ancillary documents do not apply in relation to an outworker.

(2) An AWA or ancillary document has no effect where it is made with or for an outworker.

(3) A person or entity is prohibited from making an AWA or ancillary document with or for
an outworker.

(4) The provisions contained in Part VB of this act insofar as they relate to a workplace
agreement other than a collective union agreement do not apply in relation to an
outworker.

(5) A workplace agreement other than a collective union agreement has no effect where it is
made with or for an outworker.

(6) A person or entity is prohibited from making a workplace agreement other than a union
collective agreement with or for an outworker.

(7) Subsections (3) and (6) above are civil remedy provisions.

537I Misrepresentation about workplace agreements or AWAs to an outworker

(1) In the circumstances set out in subsection (2), a person or entity must not engage in
conduct:
(a) with the intention of giving a second person the impression; or
(b) reckless as to whether a second person would get the impression;
that the person or entity, or a third person or entity, is authorised to make a workplace
agreement other than a collective union agreement, AWA or ancillary document with an
outworker.

Note: This subsection is a civil penalty provision.

(2) For the purposes of subsection (1), the circumstances are that the first person or entity or
the third person or entity knows, or has reasonable grounds to believe that the person or
entity is not authorised, or is reckless as to whether the person or entity is authorised, to make a workplace agreement other than a collective union agreement, AWA or ancillary document with an outworker.

Division 1C—Entry and inspection by organisations

537J Entry and inspection by organisations

(1) Part IX (entry and inspection) does not apply in relation to entry and inspection by an organisation in connection with any person or entity to which this Part applies.

(2) Part IX (entry and inspection) as in force immediately before the commencement of this Part continues to apply in relation to entry and inspection by an organisation in connection with any person or entity to which this Part applies.

Division 1D—Recovery of unpaid remuneration

537K Definitions

In this Division:

remuneration includes:

(a) any remuneration or other amount, including commission, payable in relation to work done by an outworker; and
(b) amounts payable to an outworker in respect of annual leave or long service leave; and
(c) amounts payable on behalf of an outworker in respect of superannuation contributions; and
(d) an amount for which an outworker is entitled to be reimbursed or compensated, for an expense incurred or loss sustained by the outworker.

unpaid remuneration claim means a claim for unpaid remuneration under section 537L.

superannuation contributions means contributions to an approved superannuation fund to which an outworker is entitled under any law or industrial instrument.

537L Claims by outworkers for unpaid remuneration

(1) An outworker may make a claim under this section for any unpaid remuneration against the person the outworker believes is his or her employer (the apparent employer) if the employer:

(a) has not paid the outworker all or any of the remuneration for work done by the outworker for the employer; or
(b) has not paid all or any of the superannuation contributions payable for an outworker (the unpaid remuneration).

(2) The claim must be made within 6 months after the work is completed.

(3) The claim is to be made by serving a written notice on the apparent employer that:

(a) claims payment of the unpaid remuneration; and
(b) sets out the following particulars:

(i) the name of the outworker;
(ii) the address at which the outworker may be contacted;
(iii) a description of the work done;
(iv) the date on which the work was done;
(v) the amount of unpaid remuneration claimed in respect of the work, including
    the amount of superannuation contributions (if any).

(4) The particulars set out in the unpaid remuneration claim must be verified by statutory
    declaration.

(5) This section applies only in respect of remuneration for work carried out after the
    commencement of this section.

537M Liability of apparent employer for unpaid remuneration for which an unpaid
    remuneration claim has been made

(1) Except as provided by subsection (4), an apparent employer served with an unpaid
    remuneration claim under section 537L is liable (subject to any proceedings as referred to
    in section 537O) for the amount of unpaid remuneration claimed.

(2) An apparent employer may, within 14 days after being served with an unpaid
    remuneration claim, refer the claim in accordance with this section to another person the
    apparent employer knows or has reasonable grounds to believe is the person for whom
    the work was done (the actual employer).

(3) An apparent employer refers an unpaid remuneration claim in accordance with this
    section by:
    (a) advising the outworker concerned in writing of the name and address of the actual
        employer; and
    (b) serving a copy of the claim (a referred claim) on the actual employer.

(4) The apparent employer is not liable for the whole or any part of an amount of unpaid
    remuneration claimed for which the actual employer served with a referred claim accepts
    liability in accordance with section 537N.

(5) An apparent employer cannot refer an unpaid remuneration claim under this section to a
    person that is a business entity owned or managed by the outworker who made the claim.

537N Liability of actual employer for unpaid remuneration for which an unpaid
    remuneration claim has been made

(1) An actual employer served with a referred claim under section 537M may, within 14 days
    after the service, accept liability for the whole or any part of the amount of unpaid
    remuneration claimed by paying it to the outworker concerned, or in the case of
    superannuation contributions;

(2) An actual employer who accepts liability must serve notice in writing on the apparent
    employer of that acceptance and of the amount paid.

(3) If the apparent employer has paid to the outworker concerned any part of the amount of
    unpaid remuneration claimed for which the actual employer served with the referred
    claim has not accepted liability, the apparent employer may deduct or set-off the amount
    the apparent employer has paid to the outworker from any amount that the apparent
    employer owes to the actual employer (whether or not in respect of work the subject of
    the referred claim).
537O Recovery of amount of unpaid remuneration

(1) Division 1 of Part VIII applies to recovery of an amount payable to or for an outworker from an apparent employer who fails to make a payment in respect of an amount of unpaid remuneration for which the employer is liable under section 537M.

(2) In proceedings referred to in subsection (1), an order for the apparent employer to pay the amount concerned must be made unless the apparent employer proves that the work was not done or that the amount claimed for the work in the unpaid remuneration claim is not the correct amount in respect of the work.

537P Offences relating to unpaid remuneration claims and referred claims

(1) A person must not:

(a) make any statement that the person knows is false or misleading in a material particular in any notice given for the purposes of section 537M or 537N; or

(b) serve a referred claim on a person under section 537M that the person does not know, or have reasonable grounds to believe, is an actual employer.

(2) Subsection (1) is a civil remedy provision.

537Q Effect of sections 537K to 537P

(1) Sections 537K to 537P do not limit or exclude any other rights of recovery of remuneration of an outworker, or any liability of any person with respect to the remuneration of an outworker, whether or not arising under this Act or any other law (including any regulation or other delegated instrument).

(2) Nothing in subsection 537N(3) limits or excludes any right of recovery arising under any other law with respect to any amount of money owed by the apparent employer to the actual employer.

537R Liability of first person for remuneration payable to outworkers of second person

(1) This section applies where:

(a) a person or entity (the first person) has entered into a contract for the carrying out of work by another person (the second person); and

(b) outworkers employed or engaged by the second person are engaged in carrying out the work (the relevant outworkers); and

(c) the work is carried out in connection with a business undertaking of the first person.

(2) The first person is liable for the payment of any remuneration of the relevant outworkers that has not been paid for work done in connection with the contract during any period of the contract unless the first person has a written statement given by the second person under section 537S for that period of the contract.

(3) The first person may withhold any payment due to the second person under the contract until the second person gives a written statement under section 537S for any period up to the date of the statement. Any penalty for late payment under the contract does not apply to any payment withheld under this subsection.

(4) Division 1 of Part VIII applies to the recovery of remuneration payable by the first person under this section as if a reference in those sections to an employer were a reference to the first person.
537RA  Prohibition on joinder of parties
   Notwithstanding any other provision to the contrary in any other law, in any proceeding under Division 1 Part VIII of this Act for breach of a provision of Division 1D of this Part which provides that a person or entity is liable for unpaid remuneration, the respondent or defendant to the proceeding is prohibited from joining any other party as a respondent or defendant to the proceeding.

537RB  Interest on unpaid remuneration
   (1) In any proceeding under Division 1 Part VIII of this Act for breach of a provision of Division 1D of this Part which provides that a person or entity is liable for unpaid remuneration, if the Court is satisfied that the person or entity:
      (a) had reasonable notice of the claim; and
      (b) had no reasonable grounds on which to dispute the claim; and
      (c) in the circumstances, should have paid the claim without the need for proceedings being taken to establish the validity of the claim;
   despite anything to the contrary in any other law, the Court may order the employer to pay interest to the party bringing the proceeding on top of any other amount to which the outworker is entitled.
   (2) The interest must not be greater than the rate fixed under section 2 of the Penalty Interest Rates Act 1983 that applies at the time the Court makes the order.

537S  Written statements for the purposes of section 537R
   (1) The written statement referred to in section 537R is a statement by the second person that all remuneration payable to relevant outworkers for work under the contract done during that period has been paid.
   (2) The regulations may prescribe the form and content of the written statement.
   (3) The second person must keep a copy of any written statement under this section for at least 6 years after it is given.
   (4) The written statement is not effective to relieve the first person of liability under section 537R if the first person, when given the statement, had reason to believe it was false.
   (5) The second person must not give the first person a written statement knowing it to be false.
   (6) Subsection (5) is a civil remedy provision.

537T  Operation of section 537R
   (1) Section 537R does not apply in relation to a contract if the second person is in receivership or in the course of being wound up or, in the case of an individual, is bankrupt, and if payments made under the contract are made to the receiver, liquidator or trustee in bankruptcy.
   (2) Nothing in section 537R or this section limits or excludes any other rights of recovery of remuneration of an outworker, or any liability of any person with respect to the remuneration of an outworker, whether or not arising under this Act or any other law including any regulation or delegated instrument.
(3) The first person is not excluded from liability for the payment of any remuneration of a relevant outworker under section 537R only because the second person is a business entity owned or managed by the relevant outworker.

**Division 1E—Contravention of civil remedy provisions**

*Note:* For other rules about civil remedy provisions, see Division 4 of Part VIII.

**Subdivision A—General**

**537U** General powers of Court not affected by this Division

This Division does not affect the following:

(a) the powers of the Court under Part XIV;

(b) any other powers of the Court.

**537V** Standing for civil remedies

(1) Any of the following persons may apply to the Court for an order under this Division in relation to a civil remedy provision in this Part:

(a) an outworker;

(b) the Textile, Clothing and Footwear Union of Australia;

(c) a workplace inspector;

(d) a person or entity who receives a notice given under section 537M or 537N, but only in respect of section 537P;

(e) a person or entity who receives a referred claim pursuant to section 537M, but only in respect of section 537P;

(f) a person or entity who relies upon a written statement provided in accordance with sections 537R and 537S, but only in respect of subsection 537S(5).

(2) The civil remedy provisions in this Part are as follows:

(a) subsection 537E(3);

(b) paragraph 537G(2)(c);

(c) subsection 537H(3);

(d) subsection 537H(6);

(e) subsection 537I(1);

(f) paragraph 537P(1)(a);

(g) paragraph 537P(1)(b);

(h) subsection 537S(5).

**Subdivision B—Pecuniary penalties and other remedies for contravention of civil remedy provisions**

**537W** Application of Subdivision

This Subdivision applies to a contravention by a person of a civil remedy provision in this Part.

**537X** Court may order pecuniary penalty

(1) The Court may order a person who contravenes a civil remedy provision to pay a pecuniary penalty of up to:
(a) if the person is an individual—the maximum number of penalty units specified in subsection (2); or
(b) if the person is a body corporate—5 times the maximum number of penalty units specified in subsection (2).

(2) The maximum number of penalty units is as follows:
(a) subsection 537E(3)—60 penalty units;
(b) subparagraph 537G(2)(c)—60 penalty units;
(c) subsection 537H(3)—60 penalty units;
(d) subsection 537H(6)—60 penalty units;
(e) subsection 537I(1)—60 penalty units;
(f) paragraph 637P(1)(a)—60 penalty units;
(g) paragraph 537P(1)(b)—60 penalty units;
(h) subsection 537S(5)—60 penalty units.

537Y Other powers of Court when dealing with a civil remedy provision
In addition to the powers set out in section 537X, the Court may:
(a) declare a term or the terms of any agreement void;
(b) vary a term or terms of any agreement;
(c) order that compensation of such amount as the Court considers appropriate for any loss or damage resulting from the breach of the agreement be paid to the party bringing the proceeding;
(d) grant an injunction requiring the person mentioned in section 537W to cease contravening (or not to contravene) the civil remedy provision.