

**Important IR Development:
COVID – 19 amendments to the
Vehicle Manufacturing, Repair, Services and Retail Award 2010**

Over the past three weeks VACC has been involved in negotiations, co-ordinated by the Australian Chamber of Commerce and Industry (ACCI) with the Australian Council of Trade Unions (ACTU), unions and other employer organisations to reach agreement on temporary amendments to the award. The objective of the temporary amendments is to preserve the ongoing viability of businesses and their employees **who are not entitled to JobKeeper**.

The parties have reached agreement on the terms of an application to vary the award which has been filed in the Fair Work Commission. The media release from ACCI below sets out a summary of changes which will have an operative date of 30 June 2020. The parties however can agree to extend the range of measures beyond this date, if circumstances require an extension. Further information on the terms of the award variation will be circulated to members once the variation has been approved by the Fair Work Commission.



COVID-19 amendments to the Vehicle Manufacturing, Repair, Services & Retail Award

Employers and unions have this morning finalised an agreed to an application lodged with the Fair Work Commission, to temporarily amend the Vehicle Manufacturing, Repair, Services and Retail Award 2010, to help businesses stay open and workers stay in their jobs.

The proposed award variations are the outcome of lengthy discussion between the Australian Chamber of Commerce and Industry, the Australian Council of Trade Unions, the Victorian Automotive Chamber of Commerce and motor trades associations, the Australian Automotive Dealers Association, the Australian Manufacturing Workers Union, the Shop, Distributive and Allied Employees Association, and the Australian Industry Group.

The agreed temporary amendments to the award are aimed at preserving the ongoing viability of businesses and their employees not entitled to JobKeeper, so that they can be in the best position possible to survive to the COVID-19 pandemic, and remain in jobs and connected to their employer, while retaining the rates of pay for work performed.

The application seeks to:

- Provide flexibility around the range of duties that employees can perform, provided it is safe to do so and the employee has the necessary qualifications. Employees performing higher duties will be paid at the higher rate.

- Allow for a temporary reduction in working hours for full-time and part-time staff who cannot be usefully employed for their ordinary days/hours, subject to minimum reduction requirements (60% for full-time and 75% for part-time), as well as fortnight minimum pay entitlements for employees on reduced hours and the ability to agree to top up any reduction with accrued paid leave.
- Allow employees who are subject to a reduced hours to request to take on secondary employment, training or professional development. Employers must consider these requests and can't unreasonably refuse them.
- Allow employers to direct employees to take annual leave for reasons attributable to the COVID-19 pandemic or government initiative to slow the transmission of the virus with notice, so long as the employee retains a balance of 2 weeks annual leave.
- Allow employers to close down operations for reasons attributable to the COVID-19 pandemic or government initiative to slow the transmission of the virus and direct employees to take leave having regard to their personal circumstances.
- Ensure there is consultation with employees when any new arrangements are implemented.

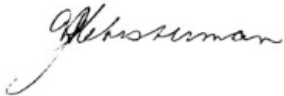
Importantly, these temporary changes can only apply to an employee if it is not unreasonable in all the circumstances.

The negotiations were led by ACCI's Deputy Director of Workplace Relations, Tamsin Lawrence, on behalf of employers.

"It is in everyone's interests to preserve the viability of businesses and as many jobs as possible during the COVID-19 crisis, and this is the objective of the proposed award variations," Ms Lawrence said.

"We know the significant decrease in sale for the vehicles industry as a result of COVID-19 comes on top of more than two years of uninterrupted negative sales.

"Providing temporary flexibility for those in the vehicles industry who don't qualify for JobKeeper through this proposed award variation is vital to ensuring these businesses make it to the other side of the current harsh trading environment caused by COVID-19."



W J Chesterman

Manager

Industrial Relations & OHSE Department

VACC

Level 7 | 464 St Kilda Road | Melbourne Vic 3004

P: 03 9829 1123 | E: bchesterman@vacc.com.au | W: vacc.com.au