



## EMPLOYMENT PRACTICES CHECKLIST

Whether you are undertaking a new venture and hiring staff or you have an established business with staff, protecting your assets from an employment law perspective is as important as filing your business activity statement on time.

There are three key areas you can address to help protect your business from liabilities, losses and penalties:-

1. Contracts of Employment – adopting a comprehensive contract ensures that the parties are aware, from the outset, what their rights and obligations are during the term of the employment relationship. While some rights and obligations are regulated by the *Fair Work Act 2009*, you should still address the duties and obligations of employees; their remuneration (including how any commission or bonuses accrue and are paid); how and when the contract can be terminated and the employee's post-employment obligations.

If these matters are not addressed in the contract of employment or no contract exists there is a risk a dispute

will arise between the parties about the terms of the employment. This can lead to claims for non-payment of remuneration; unfair and unlawful termination claims; claims for reasonable notice where no notice period is specified in the contract (which in some cases before the courts has been held to be as high as 9 to 12 months); and the loss of trade secrets, valuable clients and valuable staff to a departing employee.

2. Awards and Enterprise Agreements (EA) – where applicable, you should ensure that you comply with the correct Award or EA provisions. While not every breach will result in a penalty being imposed on employers, those who knowingly or recklessly breach their obligations can be exposed to substantial penalties. In a recent prosecution the owner of a number of hair salons was found liable for penalties in excess of \$160,000 for failure to comply with award obligations. There is also an increasing number of cases where officers and senior managers are being implicated in such breaches and personally fined.

3. Policies and Training – having clearly articulated policies will ensure that your employees are aware of their obligations to the employer, fellow employees and other workplace participants. Training employees regularly can reduce liability to damages and penalties, including in relation to discrimination, harassment and bullying claims. One of the most important policies you should implement is a staff code of conduct and child protection policies (where staff are working with children or young persons).

Addressing just these few areas can help protect your business from loss, liabilities and penalties. A regular health check of your business employment law practices can have a profound benefit to your business' bottom line.