



## Transitioning from multi-enterprise agreements

These proposed amendments provide employers and employees with options for transitioning from an in-term single-interest employer agreement or supported bargaining agreement to a single enterprise agreement.

### What is proposed?

These proposed amendments allow employers and their employees that have a single-interest employer agreement or a supported bargaining agreement to transition to a single enterprise agreement, prior to the agreement's nominal expiry date.

- A **single interest employer agreement** is a type of multi-enterprise agreement that allows 2 or more employers common interests to be covered by the same agreement.
- A **supported bargaining agreement** is a type of multi-enterprise agreement designed to assist and encourage employers and their employees who may, for various reasons, find it difficult to bargain at a single-enterprise level.

Employee organisations will need to agree to an employer requesting employees to approve a new single enterprise agreement by voting for it and cannot unreasonably withhold their agreement. However, if consent is unreasonably withheld, the Fair Work Commission can issue an order permitting the employer to ask employees to vote to approve the agreement.

These proposed amendments also change the application of the Better Off Overall Test (BOOT) when a single interest employer agreement or a supported bargaining agreement is replaced by a single-enterprise agreement, so that the BOOT is assessed against the agreement being replaced rather than the relevant modern award.

### What will it mean?

Previously, transitioning to a single enterprise agreement could only be done once a single-interest employer agreement or a supported bargaining agreement had passed its nominal expiry date.

These proposed amendments will provide employers and employees with the option to voluntarily make a single enterprise agreement at any time. Applying the BOOT to the agreement being replaced will ensure employees will not be left worse off when transitioning to a single enterprise agreement.

## When will it come into effect?

The proposal is subject to the passage of legislation.

For more information on the Closing Loopholes legislation, visit: <https://www.dewr.gov.au/workplace-relations>.