



MBA factsheet

frequently asked questions

What is an MBA?

A Multiple Business Agreement (MBA) is a collective agreement between a group of employers and employees to provide a minimum standard of benefits and conditions to employees.

Why do we need an MBA?

In the past, many ACT Community Sector employees have been covered by the ACT Social and Community Services (SACS) Award. The future of the SACS Award is now uncertain, in light of the award modernisation process that will take place at a Federal level by 2010. It is expected that any future Award will set much lower conditions of employment for employees.

The MBA is intended to serve two purposes:

- o Preserve the pay and conditions of community sector employees under the current SACS Award; and
- o Pass on ACT Government indexation to workers through wage increases in line with indexation.

In joining the MBA, organisations are creating a collective voice for the sector on issues such as funding, indexation, efficiency dividends and models of service delivery. By working towards improved conditions and wages, organisations are also improving their ability to attract and retain staff.

What benefits will employees have under the Community Sector MBA?

The MBA proposes to provide a 3.5% wage increase each year. It also proposes to maintain SACS benefits including:

- o Penalty rates for working on public holidays;
- o Sleepover and weekend work entitlements; and
- o Annual and sick leave entitlements.

How do we get onto the MBA?

Due to recent changes in Federal IR legislation, the way that we lodge MBA's is changing. As a result, we need employers and employees to agree to implement the MBA as soon as possible, so ACTCOSS can lodge it in June 2009, when the legislation is more clear.

Step 1: Vote to approve the MBA – This involves having your Committee or Board of Management agree to implement the MBA, as well as having a ballot of your staff to approve the MBA. You can only proceed if both the employer and the majority of employees agree.

Step 2: Sign a declaration (provided by ACTCOSS and the ASU) which sets out:

- o That the Employer and Employees undertake to go onto the MBA.
- o That the Employer and Employees undertake to implement the conditions of the MBA immediately.

Step 3: In June 2009, every organisation that has finished the first two steps will come together to officially lodge the MBA. At that time, ACTCOSS/ASU will guide every organisation through the process of lodgement, and make it as uncomplicated as possible for you.

What is the No-Disadvantage Test?

The no-disadvantage test ensures that the collective agreement does not, on balance, reduce the overall terms and conditions of employment of the employees covered by the agreement. When the MBA is lodged in June 2009, the No-Disadvantage Test will be applied to it to make sure there are no employees who will be worse off overall under the MBA, than they were under the Award. The current MBA already passed the No-Disadvantage Test (called the Fairness Test) when it was first lodged, so when we lodge it again in 2009, it is expected that it will pass the No-Disadvantage Test without any problems.

When does the MBA stop operating?

There will be a nominal expiry date within the MBA. After the date is passed the MBA can be replaced by a new agreement or terminated.

Similar to current certified agreements until the MBA is terminated or a new agreement is passed, the existing MBA will continue operating, even though the expiry date has passed.

Can organisations signed on the MBA offer above Award wages or extra benefits on top of those contained in the MBA?

Yes. An organisation can negotiate above MBA conditions, pay or benefits with their employees. The MBA only provides minimum wages and conditions for employees covered by it.

In this situation, the organisation can still sign up to the MBA through the process outlined above. The organisations could choose to move the above MBA conditions into a Memorandum of Understanding (MOU), which could cite the MBA as the primary tool for wages and conditions but specify the above MBA conditions.

Many organisations already have a similar arrangement in place with the SACS award as the primary tool.

Can there be different agreements for different sections of my organisation, eg if some employees are employed under other Awards such as Childcare or Aged Care?

Yes. An organisation can sign on the MBA and choose to maintain conditions of the other Awards for non-SACS workers, or could write the non-SACS workers into an MOU providing MBA conditions for them also.

Some organisations who have chosen to write other workers into an MOU are reporting the approach has been successful, because most of the non-SACS workers in the industry are on wages and conditions that are not as good as the SACS Award or the MBA.

At what point are we legally bound to the MBA?

Although we encourage all organisations that sign up to the MBA and complete the above process to consider themselves committed, organisations are not legally bound until the MBA is voted on by the employees and lodged with the Workplace Authority. Until this point, there is the option for organisations to remove themselves from the MBA, if their circumstances change.

Once the MBA is lodged and comes into effect, is there a process for removing ourselves from the MBA?

Generally an organisation is bound to the MBA until it is replaced or terminated. However, if the organisation can no longer be a party to the MBA, a variation of the MBA can be lodged with the Workplace Authority, removing the party from the agreement. The process for variation is similar to the process for lodgement.

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What happens next?

ACTCOSS and the ASU are planning further interagency meetings in March 2009 to raise awareness and adoption of the MBA.