



Compliance Essentials e-bulletin March 2012

Beware of Sham Contracting

A reminder that 'sham contracting' is not legal in Australia. Employers are encouraged to review their agreements with sub-contractors to vouch the legitimacy of the arrangements. In terms of engaging sub-contractors there is a bigger task for building and construction companies; it is expected that from 1 July 2012 building and construction companies will be required to report to the ATO on payments made to the sub-contractors that they engage – the information required is expected to be details of the sub-contractor, ABN of sub-contractor and the exact amounts paid to each sub-contractor.

Personal Property Securities Register

Effective from 31 January 2012, this register replaced the ASIC Register of Charges also bringing together other registers recording security interest in personal property that has been used to secure payments and/or other obligations.

Items recorded on the previous Register of Charges and other registers have been migrated to the PPSR.

Recording an item on the register is actioned electronically as are searches of the register which is available to both businesses and consumers to check registration of a given item(s). The previous ASIC lodgements forms for registering and discharging a charge over an incorporated company are now defunct.

More information on the register and how to register, search and discharge an interest can be found at <http://www.ppsr.gov.au>

Rise in number of claims for unfair dismissal

Since the inception of Fair Work Australia it is reported that the number of claims by employees for unfair dismissal has risen dramatically and that over fifty percent of arbitrated claims have been found in favour of the employee. The majority of claims are resolved at the conciliation stage although a number are getting as fair as the Fair Work Tribunal. There is also a rise in general protection applications – general protections are intended to protect an employee from adverse action by an employer in relation to workplace rights and freedom of association. These indications make it increasingly important for employers to have in place sound HR policies and procedures that are observed and that demonstrate fairness to employees.

Not-for-profit update

The ACNC (Australian Charities and Not-for-Profits Commission) will now commence operations at 1 October 2012 as opposed to 1 July 2012 as previously indicated. The Commission will be the regulator for charities in Australia.

The contents of this document are for information purposes only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.