

CAN I SEE YOUR TIME-KEEPING RECORDS, PLEASE?

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After its quiet arrival and the subsequent resistance by the business community that led to its revision, many employers are still confused about what the WorkChoices time-keeping requirements now mean for them.

After intense lobbying by business, the original onerous requirements on businesses to keep records of start, finish and total hours worked by employees have been relaxed. Instead of monitoring hours for all staff earning less than \$55,000 a year, employers will now have to track only overtime hours, and all hours worked by casuals or part-time staff whose hours vary.

The amended legislation applies to a broad range of employers. As a guide those affected will be: Employers of workers that have a specific overtime entitlement in their work agreement and employers of casual and part time workers.

Employers of workers who work under an Australian Workplace Agreement or a federal/state award will be affected regardless of what their employees' private contracts may stipulate. Employers are advised to know the type of employment instrument their employees work under.

With the amended WorkChoices time-keeping obligations set to take effect from 27 March 2007, now is an appropriate time to assess its likely impact and how it may affect you.

From 27 March an Office of Workplace Services Inspector can demand to audit the pay records of any business, at any time, either as a spot check or due to a complaint being investigated. Not having this data will cost employers \$2,750 for each employee whose time records are not up to date and accurate.

The WorkChoices time-keeping legislation is designed to ensure that all employees are fairly paid for the hours they work, by compelling employers to record the hours that an employee works above and beyond 38 hours.

On the surface, the recording of overtime isn't a particularly far-reaching obligation. For employees that have a specific overtime entitlement in their contract, as well as casual and part time workers, this doesn't represent a significant change, as employers of these types of workers are already required to produce evidence of all the hours worked on their payslips.

The major change, will be for employers of workers who don't have a specific overtime entitlement built into their workplace agreements, which will affect a large percentage of employees in professional roles. The time-keeping requirement is intended to record 'reasonable additional hours' are being worked by these employees under the fair pay and conditions standard. This presents a number of issues that it would be unwise for employers to ignore.

Firstly, to be able to accurately calculate hours worked over 38 hours a week, you need to know that an employee has actually completed their 38 hours. To do this, you have to be able to record the start and finish of their regular or 'ordinary' hours to determine what actually constitutes overtime. For organisations that don't have a time management system already in operation, this will be a challenge.

Secondly, the effect of the introduction of time-keeping can create HR issues from an employee perspective. For professionals who often work in excess of 50 hours a week, workplace time-keeping can be something of an affront. Don't be surprised to hear:

“I always do my job properly and sometimes it means I do it at 7am or 7pm. So what if I work 50 hours a week? I perform well in my role, so why do you require me to clock in and out?”

It's understandable for employees to attach negative connotations to time-keeping, but from a strategic business and HR viewpoint, having a detailed overview of who works when and for how long can provide you with valuable and insightful data about work patterns, business peaks and troughs and how best to optimise your workforce.

Just consider your own professional environment; how much does your organisation know about your own workload? Are you understaffed? Do you regularly work excessive hours to get the job done? Could your company benefit from using this information to improve its productivity?

Many organisations are completely unaware of the amount of additional hours worked by its staff. For employees, recorded time-keeping will mean that employers can no longer claim ignorance when confronted by issues such as poor work-life balance or a workers compensation stress claim triggered by excessive overtime. Not knowing why one of the most junior employees in your organisation never leaves the office before 8.30pm will no longer be acceptable.

Time-keeping isn't clock watching, it's workforce optimisation. Forward thinking employers can use this data to analyse productivity patterns and review workloads. It can also act as the catalyst for positive conversations with staff about work-life balance and effective prioritisation. These are conversations that without the recording of employee hours worked might never have happened.

You could ask your accountant to assist you by undertaking a detailed review of your employment instruments (AWA's, EBA's, Awards and employment contracts,) to ensure that you understand whether the WorkChoices timekeeping Regulation applies to your staff.

The bottom line is that if an employee's contract states that they must be paid a penalty rate or loading for additional or overtime hours worked, either the number of overtime hours worked or the employee's overtime start and finishing times must be recorded.

The timekeeping regulation as part of WorkChoices, even in its streamlined form, highlights the need for employers to have done their homework and be prepared. At the very least there is a now a requirement for businesses to have a solution for employee timekeeping. March isn't that far away.

For more information or to find out how you can comply with the WorkChoices time-keeping requirements, email WorkChoices@au.drakeintl.com