

[Act 1997 No 26]



New South Wales

# Annual Holidays Amendment Bill 1997

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

### Overview of Bill

Part 8 of Chapter 2 of the *Industrial Relations Act 1996* protects workers' entitlements when a business is transferred from one employer to a new employer by providing that the continuity of a worker's contract of employment is taken not to have been broken by the transfer of business. Currently that Part does not apply to entitlements to annual leave under the *Annual Holidays Act 1944*, with the result that, under section 4 of that Act, a worker's employment with the former employer is, for the purposes of determining the worker's annual leave entitlement, to be treated as terminated on transfer of the business to the new employer and the worker's existing annual holiday entitlements are required to be paid out instead of being preserved.

The object of this Bill is to amend the *Annual Holidays Act 1944* (and to amend consequentially the *Industrial Relations Act 1996*) so that the provisions of Part 8 of Chapter 2 of the *Industrial Relations Act 1996* will apply for the purposes of determining annual leave entitlements and a worker's entitlement will be preserved on the transfer of business.

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## Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day to be proclaimed.

**Clause 3** is a formal provision giving effect to the amendment to the *Annual Holidays Act 1944* set out in Schedule 1.1.

**Clause 4** is a formal provision giving effect to the amendment to the *Industrial Relations Act 1996* set out in Schedule 1.2.

## Schedule 1 Amendments

**Schedule 1.1** inserts proposed section 4B in the *Annual Holidays Act 1944* so that Part 8 of Chapter 2 of the *Industrial Relations Act 1996* will apply for the purposes of determining a worker's annual leave entitlements on the transfer of business.

**Schedule 1.2** makes a consequential amendment to the *Industrial Relations Act 1996*.