



Modern awards

Australia's new workplace relations system

From 1 July 2009, most Australian workplaces are governed by a new system created by the *Fair Work Act 2009*.

The Fair Work Ombudsman helps employees, employers, contractors and the community to understand and comply with the new system. We provide education, information and advice, help to resolve workplace complaints, conduct investigations, and enforce relevant Commonwealth workplace laws.

One of the key changes under the new Fair Work system is the modernisation of awards operating in the Commonwealth workplace relations system. The Australian Industrial Relations Commission (AIRC) consolidated most of the existing awards into industry or occupation-based categories to reduce the confusion surrounding proper minimum employment entitlements.

From 1 January 2010 onwards, most industries are subject to a modern award.

Who is affected by modern awards?

Modern awards apply to all employees covered by the national workplace relations system.

Modern awards are industry or occupation-based, and apply to employers and employees who perform work covered by the award.

However, managers or higher income employees may not be covered by a modern award even if one applies to the industry in which they work.

What do these changes mean for me?

If you are an employer or employee who was operating under an award-based transitional instrument (e.g. a federal award or NAPSA) as at 31 December 2009, there is a good chance you are now covered by a modern award.

Modern awards commenced on 1 January 2010 and many people's minimum entitlements have changed. You will need to determine whether the work you do is now covered by a modern award and when it takes effect.

You will also need to check whether any terms and conditions of employment have changed, and if there are any transitional arrangements that may affect these changes.

Please contact the Fair Work Infoline on **13 13 94**, or visit www.fairwork.gov.au for assistance.

Are there any transitional arrangements?

While modern awards commenced operation on 1 January 2010, the AIRC has allowed for transitional arrangements over a five-year period to assist affected employers and employees in the move to the modern award system.

Transitional arrangements in most modern awards mean that rates of pay and certain other conditions are being phased in over time. However, not all modern awards contain these transitional arrangements. Employers should check their modern award to determine if these arrangements apply.

If a modern award contains transitional arrangements, any increases or decreases in wages, loadings and penalty rates may be phased in from 1 July 2010.

This includes:

- minimum wages
- casual and part-time loadings
- Saturday, Sunday and public holiday penalty rates
- evening and other penalty rates
- shift allowances.

This period provides time for the parties affected by a modern award to make the required changes. During the period between 1 January 2010 and 1 July 2010, the pre-modern award pay-related entitlements remained in effect. That means entitlements contained within a pre-modern award (e.g. a federal award, or NAPSA) regarding any of the above continued to operate.

From 1 July 2010, if a modern award results in an increase or decrease in wages or penalty rates, some modern awards will allow for the incremental phasing-in of changes to minimum wages or penalty rates over a five-year period.

However, all other entitlements under modern awards apply from 1 January 2010.

All employers and employees should consult their relevant modern award for specific transitional arrangements, including state-based differences.

If you require assistance, contact the Fair Work Infoline or, alternatively, speak to your trade union or employer organisation for advice. For a list of registered organisations, see our registered organisations page at www.fairwork.gov.au.

Where can I find modern awards?

Modern awards can be found through our Award Finder tool available at www.fairwork.gov.au.

What do I need to do in the future?

All employers and employees are responsible for keeping up-to-date with the modern awards, any associated transitional arrangements, and future changes, for example, to the annual minimum wage.

Visit www.fairwork.gov.au for updates.

Where can I get further information?

For further information on your rights and obligations under Commonwealth workplace laws, please contact the Fair Work Infoline on **13 13 94**, or go to www.fairwork.gov.au.

Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: **13 13 94**

Need language help?

Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

- For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94
- Speak & Listen: 1300 555 727. Ask for the Fair Work Infoline 13 13 94