

## Widespread confusion over rates of pay

It is five months since the Fair Pay Commission handed down its first decision to increase rates of pay and yet there are still no official rates published for over 90% of all awards across the country. In direct contrast to how the Australian Industrial Relations Commission acted in relation to national pay increases, the Fair Pay Commission has decided not to issue official rates of pay. The Department of Workplace Relations is now attempting to calculate all the rates of pay but has so far posted less than 10% of all the new award rates of pay. This is leaving both employers and employees adrift, not knowing what they should be paying or being paid.

In addition, the rates of pay posted on the WorkChoices website have been found to be often inaccurate. WorkSight carried out a survey of approximately 230 pay scale summaries provided by the Department of Workplace Relations. A total of 88 of these have had to be corrected, some of them several times. This equates to over 33% of the rates of pay published by the Government having had to be corrected. This is an unacceptable situation for employers and employees.



The Fair Pay Commission is now considering whether to grant a further increase in award rates of pay around mid-2007. It is doubtful whether all the official rates of pay from the last pay increase on 1 December 2006 will have been published by then. This will lead to further confusion with employers falling further behind in providing increases in pay to their employees.

WorkSight has expressed its concern with this lack of information in its submission to the Fair Pay Commission. In it we stated, "Comprehensive pay and classification scales should be published by the Fair Pay Commission on which employers can rely." We went on to point out that "For many employers there is simply no way of determining their legal obligation in relation to pay rates. Employers need certainty about the rates applicable under pay and classification scales to enable them to comply with their

legal obligations."

We hope that with the next decision the Fair Pay Commission will be committed to the comprehensive provision of legally binding official rates of pay for all Pay and Classification Scales.

### What award applies to your business?

For a system that was designed to make life simpler for employers, WorkChoices has introduced an astonishing level of complexity. When searching the Internet for the award that applies to you or if you ring up a Government advice line, you may be asked as to whether you are covered by a Preserved Award or a Transitional Award or a



NAPSA. Most employers have no idea what these terms mean. Here is a brief explanation so that you know what you should be looking for.

**Preserved award:** If you are a "constitutional corporation" (which you will be if you trade or are a Pty. Ltd. Company for instance) or if you are a business operating in Victoria, the Northern Territory or the ACT



## WorkSight Information Sheets



WorkSight already provides Information Sheets for many of the key awards. These set out the current rates of pay and allowances. An annual subscription to this service will ensure that you will be advised of any changes to the rates when they occur. If you would like us to provide you with this service for the awards that you rely on please contact WorkSight.

and you were previously covered by a federal award, you are now covered by a “preserved award”. If you want to find out the current rates of pay go to:

<https://www.workchoices.gov.au/ourplan/payconditions/PayandConditionsIndex.htm>

However, currently less than 10% of all awards have the new rates of pay posted on this website. If you want to find out what the current rates of the allowances that you pay are you should go to: [www.airc.gov.au](http://www.airc.gov.au) On this website you search under the name of your federal award. You can also use this website to look at other

This newsletter is intended to provide a general outline and is not intended to be and is not a complete or definitive statement of the law on the subject matter. Further advice should be sought before any action is taken in relation to the matters described in this newsletter.

employment conditions that apply to your business. However, you should not apply the rates of pay that are shown on this website as these are not accurate for “constitutional corporations” as they do not incorporate the increase awarded by the Fair Pay Commission on 1 December 2006.

**Transitional award:** If you are not a “constitutional corporation” and you do not operate in Victoria, the Northern Territory or the ACT, you are not subject to the WorkChoices system. If a state award previously covered you, you will continue to operate under the relevant state industrial relations system. However, if a federal award previously covered you, a “transitional award” now covers you. To find out what your current rates of pay, allowances and employment conditions are you can go to: [www.airc.gov.au](http://www.airc.gov.au) On this website you search under the name of your federal award but ensure you only look at the version which describes itself in the title as “transitional”.

**NAPSA:** A “NAPSA” is a “Notional Agreement Preserving a State Award” or in slightly more simple language a “preserved state award”. If a state award in WA, SA, Tasmania, NSW or Queensland previously covered you and you are a “constitutional corporation” you are still covered by that state award but it is now operating under WorkChoices and is called a “preserved state award”. If you want to find out the current rates of pay go to:

<https://www.workchoices.gov.au/ourplan/payconditions/PayandConditionsIndex.htm>

However, currently less than 10% of all awards have the new rates of pay posted on this website.

If you want to look at the employment conditions that apply to your business go to:

[https://www.workchoices.gov.au/ourplan/payconditions/search\\_for\\_award.htm](https://www.workchoices.gov.au/ourplan/payconditions/search_for_award.htm)

On this website you search under the name of your preserved state award (NAPSA). So far, there have been no changes to the rates of allowances in preserved state awards and so you can continue to use the rates for allowances contained in the version of the award on this website. However, you should not apply the rates of pay that are shown as these are not accurate for “constitutional corporations” as they do not incorporate the increase awarded by the Fair Pay Commission on 1 December 2006.



## Practical pay and conditions advice

If you are uncertain as to what you should pay your employees or what other employment conditions you should provide, ring WorkSight for practical advice and assistance or visit our website for information on what WorkChoices means for your business.

### Contact WorkSight

03 8371 0071  
5 Everage Street, Moonee Ponds, Victoria 3039

Siân Owen 0429 190 495  
[sianowen@worksight.com.au](mailto:sianowen@worksight.com.au)  
Janet Nicolson 0438 540 481  
[janetnicolson@worksight.com.au](mailto:janetnicolson@worksight.com.au)  
Peter Raymond 0400 134 415  
[peter\\_raymond@worksight.com.au](mailto:peter_raymond@worksight.com.au)  
Rae-Anne Medforth

02 9016 5336  
0411 054 119  
[raeanne\\_medforth@worksight.com.au](mailto:raeanne_medforth@worksight.com.au)

**For on-line advice and assistance visit:**

[www.worksight.com.au](http://www.worksight.com.au)