

## Wages increase from 1 October 2007

The Australian Fair Pay Commission has decided that award rates of pay will be increased from the first pay period on or after 1 October 2007. All award rates of pay up to \$700.00 a week (or \$18.42 an hour) will be increased by \$10.26 a week (or \$0.27 an hour). Rates of pay from \$700.00 a week will be increased by \$5.32 a week (or \$0.14 an hour). From the first pay period on or after 1 October 2007 the Federal Minimum Wage will be \$522.12 a week (or \$13.74 an hour).

As we reported in our last newsletter, WorkSight urged the Fair Pay Commission to publish legally binding rates of pay (which it failed to do after the last pay increase). We are pleased to report that the Fair Pay Commission has heeded those concerns and is now committed to publishing legally binding pay scales. This is crucial to ensuring that employers and employees understand what the correct rates of pay are. However, it is likely to take the Commission some time to produce these as so far there are still only 400 pay scales on the WorkChoices website – a mere 10% of the 4,000 federal and preserved state awards that are in force around the country.

If you are unsure as to whether you should pay these increases



from 1 October 2007 or what your existing rates of pay should be, contact WorkSight for advice and assistance.

### Wage increases set for October each year

In announcing its decision to increase award rates of pay, the Fair Pay Commission also stated its intention to hold an annual review of wage rates in July each year with any increases to be awarded from October each year.

### Allowances set to increase soon

Whilst the Fair Pay Commission is responsible for deciding whether

wages are increased, the Australian Industrial Relations Commission (AIRC) is still in charge of deciding when allowances in federal awards should be increased. The AIRC is considering the next round of increases in mid-August 2007. If you operate in an industry that pays allowances and a federal award covers your business, you should be aware of this. With the introduction of WorkChoices it has become far more complicated to keep track of increases in wage rates and increases

in allowances as there is no single Government database that will advise you of both wage rates and allowances. In order to check on wage rates you should go to: <https://www.workchoices.gov.au/ourplan/payconditions/>. To check on current rates of allowances you should go to: [www.airc.gov.au](http://www.airc.gov.au) and search on the name of the award that you are bound by.

However if your business relies on a preserved state award there is no mechanism for the rates of allowances to be increased.

If you are unsure of the current rates of pay and allowances, contact WorkSight for further advice and assistance.

# focus The Fine Print

## Fact Sheets for all employees



The Government has introduced a Fact Sheet for employees to assist them in understanding their rights in the workplace. It is now a requirement that employers give each of their employees a copy of this fact sheet. From 20 July 2007 employers are required to give all new employers the fact sheet within 7 days of starting work. Employers are also required to give all existing employees a copy of the fact sheet by 20 October 2007.

The fact sheet can be downloaded or ordered from the Workplace Authority's website (<http://www.workplaceauthority.gov.au/graphics.asp?showdoc=/employers/WorkplaceRelationsFactSheet.asp>). To distribute the fact sheet to your staff you can provide it either in electronic form (eg via email) or as a paper version.

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.

## Fairness Test



Employers need to be aware of the Fairness Test that was introduced in May 2007. This test applies to:

- Any agreement lodged after 7 May 2007 that covers employees "who work in industries or occupations usually regulated by awards";
- Employees earning less than \$75,000 a year employed under an AWA; and
- Employees employed under a Collective Agreement (there is no salary limit in relation to a Collective Agreement).

The Fairness Test will be undertaken by the Workplace Authority (previously known as the Office of the Employment Advocate). The Test will be applied when any of the protected award conditions have been excluded or modified.

These conditions include:

- Penalty rates, including for working on public holidays and weekends;
- Shift and overtime loadings;
- Monetary allowances;
- Annual leave loadings;
- Public holidays;
- Rest breaks; and
- Incentive-based payments and bonuses.

Where these conditions have been removed or reduced the

Workplace Authority will determine whether the employee has been fairly compensated for the loss or removal. If there is no award that applied to the business prior to the making of the AWA or the Collective Agreement, the Workplace Authority will designate an award that will be used to assess whether the employees have been fairly compensated.

If you are planning on making an AWA or a Collective Agreement with your employees and are unsure as to how the Fairness Test will impact on your plans, contact WorkSight for information and advice.



## 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

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**For on-line advice and  
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