

## Pay Increases from 1 December 2006



The Australian Fair Pay Commission's first minimum wage decision has increased minimum wages in awards for employees earning up to, and including, \$699.96 a week by \$27.36 a week (72 cents an hour). For employees earning more than \$700 a week and over the increase is \$22.04 a week (58 cents an hour). Apprentice wages are increased to maintain the existing relativity i.e. if the trade rate goes up by \$27.36 per week then the apprentice increase will be the relevant percentage for that year level of \$27.36. The decision is effective from 1st December 2006.

In addition, any awards that have not been adjusted for the 2005 safety net increase will be adjusted by \$17.00 per week and then the rates will be adjusted for the 2006 Fair Pay Commission increase. This could mean that some employees will receive a weekly increase of \$44.36 as a result of this decision.

This decision applies to all employees who are covered by the WorkChoices system except:

- employees covered by Australian Workplace Agreements (AWAs) or

certified agreements approved prior to the commencement of Work Choices; and

- employees covered by preserved state agreements.

The rates of pay payable to employees covered by an individual or collective agreement made after Work Choices commenced (27 March 2006) must be paid at a rate that is at least equal to the relevant Pay Scale as increased by this decision which is usually the adjusted relevant award rate.

Having handed down its first decision, the Fair Pay Commission is now asking for submissions from the public on whether it should give further increases mid-2007.

### Pay Scales Website

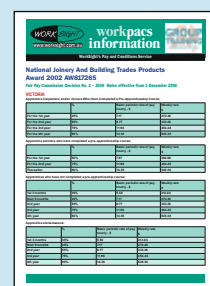
The Government has just set up a new website that provides the new rates of pay under the most commonly used awards. The website is <https://www.workchoices.gov.au/ourplan/payconditions/PayScaleSummariesA-C.htm>

However, not all the awards are covered by this website and it does not set out the allowances that are payable in some awards. If an award that you use is not listed on this website you will need to calculate the new rates of pay yourself. You should not use the wage rates that are set out in awards in the WageNet website as these are no longer current.

### WorkSight Information Sheets

WorkSight has developed Pay Rates & Allowances Information Sheets for many of the key awards that 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 are interested in subscribing to this service please contact WorkSight.



### WorkChoices Changes

The Federal Government recently announced that further changes would be made to the WorkChoices system. These changes include:

- An ability to cash out some accrued personal leave (a full time employee must be left with at least 15 days personal leave). The employee would need to have requested that the leave was cashed out in writing and the employer would need to agree to allow this to happen. Previously, only two weeks of an employee's annual leave could be cashed out.
- A legislative entitlement for an employer to stand down employees when there is no

# focus The Fine Print

## Increases in Allowances



Whilst the Australian Industrial Relations Commission no longer is responsible for the increases to award rates of pay, it still controls the levels of allowances. Over the last few weeks it has increased some of the allowances in key awards such as the National Building & Construction Industry Award, the Roof Slaters & Tilers (Victoria) Award and the National Joinery & Building Trades Products Award. It is expected that allowances in other awards will follow soon. Unfortunately the Government website that sets out the new rates of pay (see "Pay Scales Website") does not set out the allowances that are payable under awards. To get this information you will need to go to another new website of federal awards and agreements and preserved state awards and agreements. This database is not yet complete but it can be accessed at: [https://www.workchoices.gov.au/ourplan/payconditions/search\\_for\\_award.htm](https://www.workchoices.gov.au/ourplan/payconditions/search_for_award.htm)

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.

work as a result of an event that is outside the control of the employer. This means that the employer would not have to pay the employee during the period of stand down but would not dismiss the employee.

- Protection of redundancy entitlements for a 12 month period where an agreement that contained such entitlements has been unilaterally terminated unless a new agreement is made within the 12 month period. This is to ensure that an employer cannot terminate an agreement just to avoid paying redundancy entitlements.
- Annual, personal/carer's and compassionate leave is to be calculated on the basis of ordinary time earnings only (the legislation had been drafted in a way which allowed regular overtime to be included in the leave accrual rate).
- Further streamlining of the record keeping provisions. The changes would mean that instead of having to maintain records of all hours worked an employer is only required to keep records for those hours that an employee is entitled to be paid overtime or other types of penalty rates. Employers will still be required to maintain records of all hours worked by casual and irregular part time employees.
- As part of the minimum employment standards employers will be required to pay their employees on at least a monthly basis (rather than fortnightly as was previously the case).

The Government has stated that it plans for these changes to



be in place before the end of the year. If you require any further information on these proposed changes and how they may affect you please contact WorkSight.



## Practical pay and conditions advice

If you are uncertain as to what 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 assistance visit:**

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